"Jake the Barber's" Record in Canada Page 9

LARGEST CIRCULATION
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FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS
DEPARTMENT ON
PAGES 15-16

Vol. XXVII Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, SEPTEMBER 2, 1933 10c a Copy; $5.00 a Year No. 35

The Nation's Business

Ministers Should Answer Criticism

Guthrie Passes Buck to Official

The Wheat Agreement

Canada Gets Peck of New Problems Out of It

Placing the Responsibility

THE superintendent of penitentiaries has issued a statement suggesting that the brutalities of Canadian prison management that have recently been the subject of widespread public criticism are already a thing of the past; that they have already been abolished. But little credence has been given to the superintendent's remarks by the newspapers generally. A number of the newspapers have produced evidence of recent brutalities which suggest that Brig.-General Ormond's complacency is ill-founded.

But it is not only to the superintendent of penitentiaries that the public looks for reform of our penal institutions. The responsible minister is Hon. Hugh Guthrie. It is Mr. Guthrie who must reform our prisons in response to insistent public demand and who, if he does not consider reform necessary should provide the facts to rebut current criticism and who also, if he does not reform the prisons, must answer to the public.

* * *

IT IS the same in another department of government at Ottawa where bureaucratic officialdom has flouted public opinion in its unfair and unjust interpretation of customs regulations. Commenting on a recent editorial in The Financial Post on the need for common sense in tariff administration, the Toronto Star says:

> "But it is hardly fair to put the entire responsibility upon officialdom. For would officialdom act as it does if it were rebuked by the government? Would it act as it does if it were not encouraged to do so by the government?"

The comment is just. Just as Hon. Mr. Guthrie must explain to the people of Canada why our prisons ignore all modern thought in penology, so must Hon. E. B. Ryckman explain to the public why the officials of his department are permitted to place upon tariff regulations interpretations that seem to write new meanings and new rigidities into them.

* * *

IN THE ultimate analysis there is one man to whom the public looks for correction of all abuses in federal administration, the prime minister, who should not hesitate to oust from his cabinet any men who prove themselves incapable of managing their responsibilities in accordance with the dictates of enlightened public opinion.

This is the essence of responsible government.

* * *

Canada's Rôle in Wheat Pact

SUCH study of the wheat agreement reached at London as is yet possible indicates not that this particular agreement is bad, or should not have been signed by Canada, but that no agreement between exporting countries is likely to serve Canada's interests in the wheat trade. It is possible that a useful development has occurred in getting European countries to contemplate relaxation of restrictions on wheat trade as desirable. It is also possible that Canada has made a useful gesture of deference to the Roosevelt programme. It is possible that the cause of international amity has been advanced and that Canada's gesture of self-sacrifice, with respect to the maintenance of her wheat carry-overs, may set a magnificent example to the rest of the world. Perhaps even the price of wheat will be advanced, although the benefits of that, if it occurs, will have to be measured against the restrictions placed on sale. Time will answer these questions.

But the wheat pact shows that Canada can make such agreements

(Continued on page 2, col. 3)

Current Opinion

"We have taken the trouble to study the history of wheat as far back as the records go. We have followed this golden grain through thousands of years into antiquity, and out of this fascinating research has come this outstanding, indisputable fact; wheat always has been the index to the price of all other commodities. The fat and the lean years of every nation have always depended upon wheat.

"In other words, prosperity comes from the soil."—*Frederick E. Murphy, U. S. delegate to world wheat conference.*

Canada Only Nation Severely Restricted By Wheat Agreement

Export Quota Allowance Will Not Allow Any Material Reduction in Carry-over — Other Countries Given Preferences

RUSSIA AND BALKANS WELL TREATED

Short Crops in Australia and Argentine Will Allow These Countries to Meet Export Agreement Without Hardship — Canada Will Cut Surplus About 50 Million Bushels Only

From Our Own Correspondent

WINNIPEG.—The international wheat agreement which has just been concluded at London might be described as Canada's treaty with the rest of the world, for it is Canada which has assumed whatever burden is implicit in the undertaking.

It might be described as an agreement on the part of this country to continue to carry the carry-over, something that Canada might probably have had to do in any event. But while the agreement is in no sense an undertaking to restrict wheat production, and no country has obligated itself to anything in that respect, it may be Canada alone which may find itself in a position of having to limit its acreage in order to be able to live up to the terms of the agreement, with some possibility of the Argentine being compelled to take such action.

The Australian representative was reported as being delighted at the conclusion of the agreement, which was not unnatural, since Australia escaped quite unscathed. The United States may also be pleased, since that country is committed to nothing which it was not going to do in any event.

Canada's Benefits

What benefits Canada may expect to get out of the agreement may be classified as follows:

1. Recognition of higher wheat prices as a world objective. (But the higher prices in question are gold prices, and the prices in question may turn out to have more to do with the gold standard than with the wheat situation.)

2. Recognition of greater import trade in European countries as desirable. Shadowy as are the promises made in this direction, and hedged about with reservations, they may conceivably represent the beginning of a change in continental attitude toward wheat importation.

3. Limitation of British effort to increase home production of wheat. True, Great Britain had already reached its declared objective in this direction, but the very success of the campaign for subsidized wheat production might have led to its expansion.

4. International recognition of the Canadian Government policy of holding wheat off the market, which recognition may, through market psychology, have some strengthening effect on the course of prices.

Agreement Peculiarities

The London agreement in no way restricts production of wheat. It does, however, restrict exports for two successive crop years, 1933-34, and 1934-35. The crop year is calculated as from August 1 to July 31, a fact which lays a greater burden upon northern hemisphere countries than those of the southern hemisphere. What is produced for export, beyond the possibilities of export in northern hemisphere countries must be carried forward beyond the time of the next harvest. In southern hemisphere countries it will simply mean carrying forward from the first half of their crop year into the second half, with six months still to go before another crop is produced.

The agreement is peculiar in that obligations are assumed, not by individual countries, but by groups of countries. Canada and Rumania, for example, have undertaken no respective duties, on which either might be checked up by the other. Rather, the group of Danubian countries, on the one hand, and the group of non-European exporters on the other, have undertaken respective obligations. Since the former are just as lacking in any common machinery for government or for control as are the United States and Australia, it is apparent that not only are sanctions lacking for the enforcement of undertakings, but any measure of performance.

Ignore Importers

A further peculiarity of the agreement, so far as the relations between exporting and importing countries are concerned, is the fact of taking for granted the non-European import trade of wheat, while the countries chiefly concerned. Brazil, for example, takes a considerable part of the Argentine surplus, and China and Japan take a large part of that of Australia. The first two named are likely to import a great deal more wheat than any one of the continental signatories to the agreement.

Is it safe to assume the acquiescence of these countries in the objective of raising the international gold price of wheat, and is there danger of the agreement interfering with the development of non-European markets?

Mr. Broomhall estimates the requirements of importing countries this year as follows, and his figures were evidently taken as the basis of the export quota agreements:

	Bushels
United Kingdom	184,000,000
France, Italy and Germany	12,000,000
Belgium and Holland	64,000,000
Scandinavia and Denmark	26,000,000
Greece	12,600,000
Other Europe	58,400,000
Ex-Europe	152,000,000

Ignorance Displayed

An astonishing degree of ignorance was displayed in the cables emanating from London, many of which assumed that the total of 560,000,000 bushels represented only European requirements for wheat, and assumed that Canada and other countries would be free to seek outlets in other directions. No one expects the agreement to increase the United Kingdom's imports, and some of the European trade is not variable to any great extent. The basic non-European trade not presumed to be affected by the agreements is in fact considerably greater than that portion of the European trade which might be affected.

Before dealing specifically with the obligations Canada has undertaken, those of other countries should be noted.

Exporters Agreements

Russia agrees to limit her exports for the current crop year to a quantity which is to be arrived at upon completion of negotiations with overseas countries. While 50 million bushels has been suggested, the amount is not specified in the main agreement. For the following year, Russia agrees to negotiate further with the exporting countries respecting the quantity of her wheat exports. It is not clear that this undertaking will prevent Russia from exporting whatever surplus may be discovered to have been produced.

Danubian countries, Rumania, Bulgaria, Hungary and Jugo-Slavia accept a limitation of 50,000,000 bushels on their joint exports for

(Continued on page 10)

Carloadings Reach New High Year to Date

The jump in carloadings to the highest weekly total for the year, in the week ended August 19, provides the feature of the business indicators released during the past week. All commodity groups made substantial advances from the previous week and were considerably higher than in the corresponding week a year ago. Merchandise and miscellaneous freight loadings, however, did not participate in the advance.

Wheat prices were forced downward at the middle of the week, the losses being generally attributed to uncertainty following the publication of the text of the agreement arrived at at the World Wheat Conference. United States commodities showed strength at the beginning of the week but later were somewhat reduced. However, the level was higher than at the same date of the previous week in almost every case.

		August, '33	—Change— From prev. period %	From prev. year %
Monthly:				
Sugar, mfg.*	lbs.	88,089,347	+53.7	—13.4
Employment Index	No.	87.1	+3.1	+1.0
Weekly:†				
Carloadings	No.	43,181	+11.7	+9.0
Cattle sales	No.	13,204	+9.0	+7.6
Hog sales	No.	12,655	—12.0	—5.8

*Four weeks ended Aug. 12.
†Weeks ended Aug. 19, 24 and 24 respectively.

Premier States Quebec Deficit "Considerable"

Province of Quebec will show a "considerable" deficit for the year ended June 30, 1933, according to announcement by Premier L. A. Taschereau. This follows the small 1932 deficit of $614,709, which had been the only record of lower revenue than expenditure of the province for over 30 years.

Premier Taschereau did not mention the exact amount of the deficit, but stated that revenue was down about $5,000,000 compared with the 1932 year. This may indicate the approximate size of the deficit. Figures from the provincial treasurer's department showing the deficit will appear about the middle of September.

It was also stated that the cabinet had considered reducing expenditures drastically, but had decided that "no money should be spared in connection with education, roadbuilding and colonization." In connection with such policies, Hon. E. N. Rhodes, Dominion Minister of Finance, recently ventured the opinion that governments should be allowed to build surpluses during relatively prosperous periods so that deficits could be incurred in periods of depression with comparative equanimity.

EMPIRE FILMS NOW ABSORBS EDUCATIONAL

Addition Gives Nathanson Control All Types of Releases Except News

HAS KEY POSITION

Imports, Distributes and Exhibits — Now Visiting England With New Plans in View

Empire Films, Ltd., controlled by N. L. Nathanson, is absorbing Canadian Educational Pictures, a subsidiary of Educational Films, New York City. N. L. Nathanson, who is also president of Famous Players of Canada and of Regal Films, Ltd., now holds or controls with this new acquisition the release in Canada of all kinds of moving pictures with the exception of the news reel. Since June when he re-assumed the leading position with reference to Famous Players of Canada, Mr. Nathanson has taken a position where he is in all stages of the moving picture game in the Dominion except the producing end. He is importer, distributor and exhibitor. His present visit to England is likely to result in further changes of moment to his company and moving picture interests in Canada.

Canadian Educational Films, Ltd., has been handling all kinds of films covering short subjects such as scenics, comics, social and other comedies, and has distributed them from six branches throughout Canada. The change naturally means the closing of these branches and some adjustment of personnel as the company is, from an operating standpoint being absorbed by Empire Films, though James Travis will continue as Canadian representative of Educational Films of New York City.

Controls Most Releases

This new move represents another rapid step taken in the direction of unifying objectives of Famous Players and the various N. L. Nathanson companies. Aside from his great interest in Famous Players of Canada N. L. Nathanson's chief company in Canada is Regal Films, but Empire Films has recently been assuming greater importance in the scheme of things. Through Empire Films he has been getting features from England, the United States and Europe. Through Regal Films he has Metro-Goldwyn-Mayer, Gaumont-British and other British products at command. Regal Films also handles "Monogram" pictures from the United States, featuring "Western" or "Action" pictures as well as many short subjects.

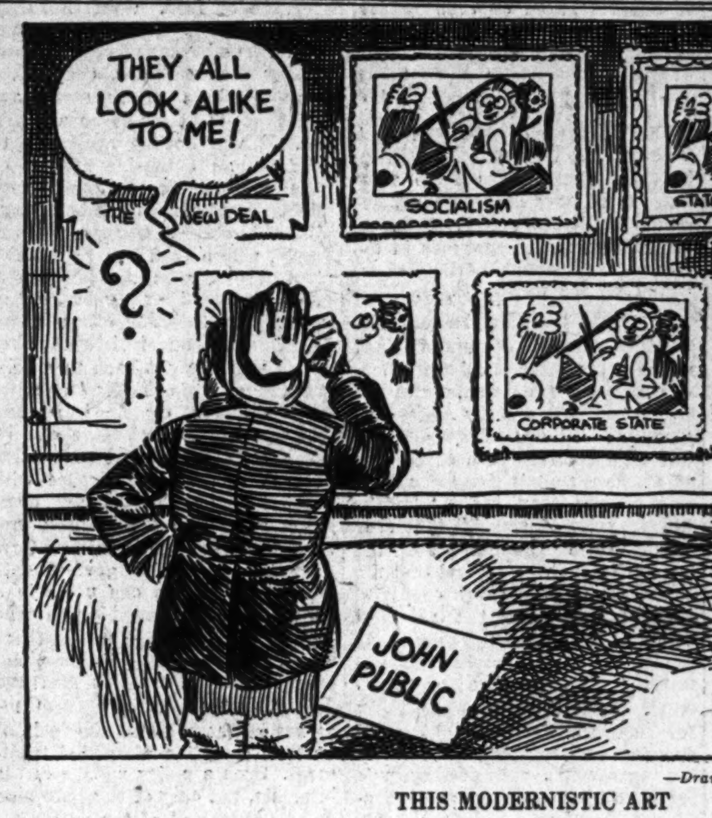
Through Empire Films Mr. Nathanson can get British International Pictures and Associated Radio pictures from England as well as Majestic pictures from the States. He can also get what are called "State's Rights" pictures from the United States. "State's Rights" pictures are pictures produced independently by organizers in the United States. Sometimes a company is organized for a definite picture by a star or by somebody else he gets to do it for him. For example, Charlie Chaplin has produced pictures that way. Mary Pickford has practically taken the same course though giving releases for her films through United Artists, which is a central organization representing artists who prefer to do their own work independent of the large concerns.

British Pictures Coming

Last year the British sent a series called in Canada the "Happiness" pictures headed by "Sunshine Susie." This year they are sending through Regal Films what Canadians are calling the "Royal Group" because headed by the Gaumont-British production "The Prince of Wales," the life-story of the heir to the British throne. The other pictures will include secret service, love, musical comedy, mystery, terror and detective features with a host of minor presentations of unusual aspects of life and scenery in the United Kingdom. Stars like Evelyn Laye, Cyril Maude, Jack Hulbert and Cicely Courtneidge will be featured, and books by Priestley and Margaret Kennedy given in film versions.

Stage Revivals Held Back

Expectations that under Nathanson, Famous Players of Canada would once more place suitable theatres at the disposition of stage shows may not be immediately realized. The Financial Post understands that economic considerations may delay revival of "the legitimate" theatre. It is not that the public would not patronize plays as many people get most satisfaction out of plays because of having the actual human presence and voice before them; but the old scale of remuneration to orchestras and theatrical labor and the old regulations offer under present circumstances an effective bar. Orchestras, it is claimed, make stage plays very expensive and present regulations as to types of orchestra and remuneration absolutely prevent a revival of this form of entertainment on a considerable scale. Much will depend on the ability of exhibitors and labor to work out some basis which would make the revival of the show business possible.



—Drawn for The Financial Post by R. Kaell.

THIS MODERNISTIC ART

No NIRA For Canada Considered In Ottawa Despite Many Requests

Private Opinion of Cabinet Ministers is That American Plan is Unwise and Unlikely to Succeed — Plan to Be Shunned, Not Followed

SUMMARY OF THIS WEEK'S NIRA ARTICLE

Nothing in the nature of a National Industrial Recovery Programme is contemplated by the Bennett government despite a deluge of requests from industries and private citizens from all parts of the country, according to the Ottawa correspondent of The Financial Post. Cabinet ministers, while reserved in public, are unanimous in private that the "New Deal" in the United States is unwise and unlikely to succeed.

Sectional and racial difficulties arising out of the operation of NIRA in the United States are brought to the attention of readers by M. M. Wilner, writing from Washington. Omaha farmers are asking "of what use are advanced farming methods when all they have created is the need to limit production?" Negro labor in the southern states is threatened as long hours are eliminated—they are already being replaced by whites.

Consumer buying has failed to keep pace with the marked upturn in industrial activity, it is stressed in the American press. Neither the NRA nor the Agricultural programme can succeed unless there is a quick acceleration in the velocity of both money and credit, it is freely admitted. Complaints against inordinate price rises are adding to the troubles of the administration. Already the woollen industry has been called to Washington to explain price increases—and others will follow.

No NIRA for Canada

From Our Own Correspondent

OTTAWA.—The Bennett government has no intention of embarking upon a programme in any way resembling the Roosevelt N.R.A. campaign. Rumors to the effect that a programme has been worked out at Ottawa and only awaits the return of Premier R. B. Bennett to be put into operation are entirely without foundation and may be discounted as being completely false.

Within the past fortnight a tidal wave of representations has swept down upon ministerial quarters, demanding that the Bennett government follow Roosevelt's lead, and apply in Canada the various National Recovery Act remedies now being administered to United States' industry. Thousands of private citizens, scores of companies and business organizations are urging a New Deal for Canada, in the hope that the government can concoct a magic formula to cure the depression.

Great Public Clamor

So great seems the public clamor for action that cabinet ministers in public statements have been very guarded in references to the United States' experiments. True, Hon. H. Stevens, Minister of Trade and Commerce, speaking at Sherbrooke, Que., made the intentions of the government fairly clear. But he was careful to speak favorably of N.R.A., in the sense that he pointed to several N.R.A. objectives which long ago were attained in Canada—notably a sound banking structure. Hon. Wesley Gordon, minister of Labor, in a speech delivered to a rural audience in the Ottawa valley was rather less explicit, but definitely unfavorable to undue tinkering with the Canadian economic machine.

In the business community, Ottawa is well aware that the Roosevelt experiments are being followed very closely. The Canadian Chamber of Commerce and the Canadian Manufacturers' Association have announced that detailed surveys of the N.R.A. are to be made at once. Scores of boards of trade are launching enquiries. Only one important branch of industry, the Garment Manufacturers Association, has definitely come out in favor of a national recovery programme for Canada. But the rank and file of Canadian citizens seem to have been deeply impressed by President Roosevelt's performances, and the political drive for a new deal is rapidly gaining momentum. It appears to have the solid support of the small left wing of the Liberal party and of the C.C.F., who hail the N.R.A., as a distinctly socialistic move, the first real weakening of capitalism in the Republic.

Parliament Problem

When Parliament resumes, much will be heard of Roosevelt policies and the government will meet heavy criticism for not having kept pace with the Washington Administration.

Behind the scenes at Ottawa, it is apparent that the cabinet is practically unanimous in opposing a New Deal for Canada along American lines. Ministers have been cautious in their remarks on the public platform, but unofficially they make no bones of their views. They regard the United States' experiment as unwise and as unlikely to succeed.

State interference in industry, in private enterprise, does not commend itself to the Bennett government and is regarded as an example to be shunned, not followed. The opinion prevails that sooner or later (probably sooner) the N.R.A. will break down and that the result will be unimaginable chaos. Out of the wreckage, the American people, it is believed, will either have to build a new industrial machine along lines of the capitalistic system or the state will have to go a step further and take over industry and operate it.

Puzzling Predicaments

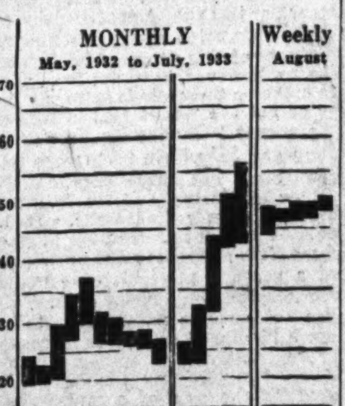
By M. W. Wilner

WASHINGTON.—There is, of course, no pretense of disguising the fact that the government has organized an intense propaganda in its efforts to direct the thought of the country favorably to the NRA. That word "propaganda," of course, does not imply necessarily the distribution of untruthful matter. Every propagandist, in war times or in peaceful politics, invariably prefers to use only absolute and

(Continued on page 2, col. 5)

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Aug. 29	50.7	48.1
Week of Aug. 22	49.2	46.8
Month of August, 1932	35.1	27.9
10 Public Utilities		
Week of Aug. 29	54	53
Week of Aug. 22	54	52
Month of August, 1932	53	44
8 Bank Stocks		
Week of Aug. 29	185	181
Week of Aug. 22	185	182
Month of August, 1932	182	163

Highlights of the week

Factor in Canada

"Jake the Barber," notorious international stock swindler, who has been making the front pages recently, was plain John Factor when he started his career in Canada. This week The Financial Post reveals the incredible story of his multi-million dollar swindles in Canada, England and the United States. Page 9.

No NIRA for Us

Canada will have no National Industrial Recovery Programme, along Roosevelt's plan, The Post reveals. Further Washington despatches tell how NIRA is working out across the line. Page 1.

Rights of Investors

Chartered accountant claims that rights, stock warrants and "split-ups" hurt interests of investors. Page 11.

New Deal in Wheat

The international wheat agreement, if it is ever ratified, will introduce political, financial and marketing problems of first magnitude in Canada. Authoritative analysis by our grain editor and Ottawa correspondent. Pages 1 and 10.

Business Insurance

Fourth of a series of articles on business insurance. In this one the author demonstrates how a profit sharing business insurance agreement provides an incentive to employees. Page 12.

Banking Evidence

The Financial Post continues its complete presentation of the important evidence before the Macmillan Commission, summarized from stenographic reports. Page 13.

Your Money

Prof. T. E. Gregory discusses the need for currency stabilization and outlines a method of achieving it. And the new plan for bonds whose income will have constant purchasing power is outlined. Both articles on page 9.

National Grocers

How President Archie Foster and his associates have made a successful company out of an unwieldy foodstuffs merger. Page 8.

Investor's Index

Canada Packers' sales increase	8
Nat. Grocers' successful merger	8
Gatineau Power's exchange losses	4
C. N. R. July revenue better	4
Electric power sales improve	4
Would stop stock "rights"	11
Maple Leaf Mines' purchase	16
Aldermac ventures into pyrite	16
Propose index-number bonds	9
Gilt-edged bonds rise	5
Conversion loan interest rate	5
Alberta, Montreal offer bonds	5
Atlantic Utilities offering	5

INDUSTRIALS, UTILITIES, ETC.

Associated Tel.	13	Jamaica Pub. S.	13
Atlantic Utilities	5	La Patrie Pub.	8
Bruck Silk	2	Maritime Tel.	14
Canada Packers	8	Malagash Salt	11
Canada Dry	2	N. S. Steel	11
Can. N. Pwr.	14, 15	Nat. Steel Car	15
Cockshutt Plow	10	National Grocers	8
C. N. R.	4	Power Corp.	10
Dodge Mfg.	2	St. Lawrence P.	11
Dufferin Pav.	2	Sher'n-Williams	11
Empire Films	1	Spokane Int'l	10
E. B. Eddy	9	Tooke Bros.	13
Gatineau Pwr.	4	Winnipeg Elec.	4

MINES AND OILS

Alliance Min.	12	God's Lake	16
Anaconda Oils	15	Hollinger	15
Aldermac	16	Halcrow-Swayze	16
Amalg. Gold	16	Kirk.-Hudson	16
Arntfield	16	Lakeland	16
Arno	16	Lee Gold	16
Bobjo	12	Metropolitan G.	15
Br. Matachewan	12	Malrobic	15
Big Missouri	16	Maple Leaf	16
Bralorne	16	McWatters	16
Blue Quartz	16	Nickel M. & M.	16
B. C. Nickel	16	Pend Oreille	15
Castle Trethewey	12	Paymaster	15
Clubine Const'k	15	Roan Antelope	16
Dunwell	15	Siscoe	16
East Crest O.	16	Wayside	15
Greene-Stabell	12	Young Dav'son	15
		Yukon Gold	15

QUOTATIONS

Bonds	14	Mines	15
Grain	10	Stocks	14

Foreign Exchange . . . 13

REGULAR DEPARTMENTS

Answers to Enquiries	11, 12
Business	7
Banking	13
Editorial	6
Grain and Milling	10
Insurance	12
Mining	12, 15, 16
Utilities and Transportation	4

STAGE READY FOR HEARING ON TARIFFS

British Woollen Brief to Be Considered Sept. 2

U. K. SUSPICIOUS

Opinions Expressed in Both U. K. and Canada on Board Questionnaire Appear False

From Our Own Correspondent

OTTAWA.—With the date for the first hearing of the woollen case set by the Tariff Commission, tentatively, for October 2, and with the Canadian woollen industry hard at work endeavoring to prepare cost statements, the broad task of examining the Canadian preferential tariff is rapidly being taken in hand.

Admittedly, the woollen case is a test case. Upon the success or failure of the British application on woollens will depend, to a great extent, the number and importance of future applications which may be expected from Old Country manufacturers. It is significant, however, that the British boot and shoe industry has filed an application for lower tariff, and other applications, notably one from the British jute industry, are expected within the new future.

Little Publicity

The proceedings of the tariff Commission with regard to British applications has received so little publicity both in Canada and in Britain that a good deal of misunderstanding has arisen, and much inaccurate information has been spread abroad. Due to the Bennett tariff increases and the attitude of the government at the Ottawa Conference, the general impression in Britain, rightly or wrongly, seems to have been that the Tariff Commission would not be effective in bringing about lower duties.

British manufacturers, time and again, have said that they expected little from it and their marked disinclination to file briefs, or to launch cases, is evidence of their attitude. On top of this original attitude of doubt, if not suspicion, the misinformation current as to the actions of the Tariff Commission have further embarrassed the situation.

Only One Concrete Case

As a matter of fact, the Tariff Commission has had to deal with but one concrete tariff reference—the woollen case. In this case, while only preliminary discussions have taken place so far, the breaks that have been going have gone (which does not mean that they have been given by the Commission) to the British and not to the Canadians, with the result that the Canadian woollen industry might reasonably conclude that only a stiff, stern battle can maintain existing woollen schedules.

When the British government, last spring, forwarded a list of goods upon which tariff inquiry by the Commission was requested, the woollen division was taken as the most important. The Commission decided to place woollens at the head of its list. The governmental list carried no detail. It was contended, in keeping with the Anglo-Canadian trade agreement, that Canadian duties on woollens exceeded such level as would give British producers opportunity of reasonable competition in the British market. The Tariff Commission invited British manufacturers to submit evidence in support of this claim. The manufacturers, however, demurred and delayed and several weeks passed without

(Continued on page 2, col. 5)

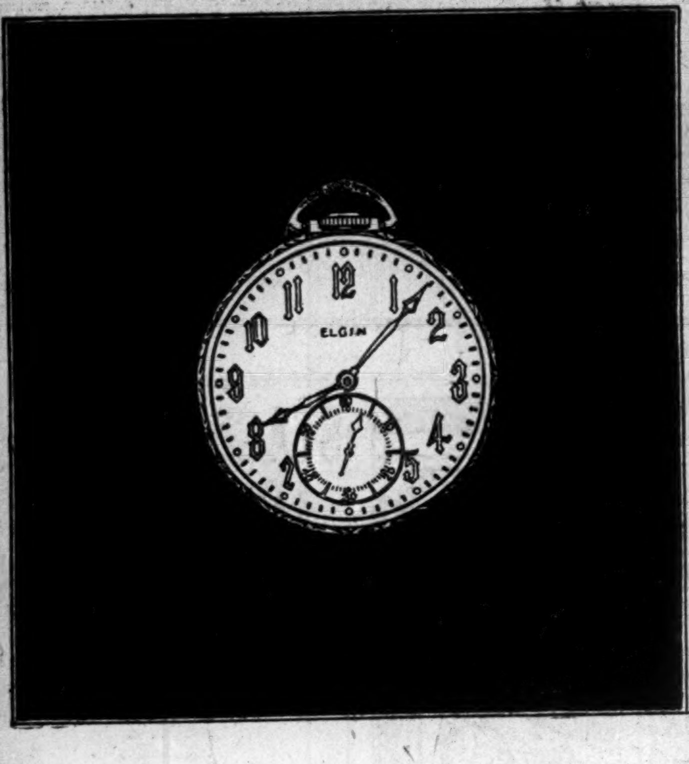
Just Think of It

A couple of months ago a member of The Financial Post staff, spending a week-end at Carter's Corners in Western Ontario, was amazed to find a very definite feeling prevailing that Canada would be involved in a war within a few months. The Women's Missionary Society that week had decided to abandon their plans and instead prepare for war activities. He told them their beliefs were absurd. They replied that he did not know; their advice to be prepared had come to them from very high authority.

But the story did not originate with, is not confined to, the good ladies of the back townships in Ontario. This week, Dr. Mary Woolley, president of Mount Holyoke College and U. S. delegate to the Disarmament Conference at Geneva, speaking at Westport, N.Y., said:

> "The next war is already discussed as a certainty in many offices, grocery stores, street corners, club lounges and smoking cars where men idle the time away with loose talking and muddle-headed conversation. While statesmen are bargaining together for armament reduction and peace treaties, men who ought to know better are reasoning from ignorance and drugging themselves into a helpless frame of mind. The homespun citizen who flounders about among big subjects is as much an enemy to peace as imperialistic governments."

The Financial Post's sources of information in Europe, which proved so reliable in foretelling in 1912 the world war as well as its great length (stories which were declared absurd at the time when they were published in these columns) see absolutely nothing in sight today to cause any alarm to the good ladies of Canada. Colonel George A. Drew, now a world authority on the exposures of the activities of the armament makers, says that this is further evidence of their propaganda.



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Record Cattle Shipments

Cattle shipments from Canada to the United Kingdom during July created a new record, according to a report of the Dominion Bureau of Statistics.

Canadian Pacific Express
Travellers Cheques
Are World Currency

Carry them on your next trip and be assured of travel comfort.

Get them from any agent of the Canadian Pacific & most Banks

★Complete Analyses
Of Canadian Companies

The Financial Post Corporation Service company analyses will give you complete and detailed information on the companies in which you are interested.

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The Nation's Business

(Continued from page 1)

with other exporting countries only by sacrificing her own position. That is even clearer now than it was earlier when warnings were sounded not only by The Financial Post but by other publications. So long as we are willing to hang on to a tremendous wheat carry-over and to keep it from export, so long as we, the greatest wheat-exporting nation of the world, are willing to commit ourselves to a volume of exports based on crop failure, other exporters will no doubt sign agreements with us.

* * *

THE agreement may, in fact, have very little effect in changing wheat conditions from what they might have been anyway. But we do not want any more agreements with our competitors in the international wheat market for dividing up the world's trade.

For years there has been an element in Canada demanding that this country enter into international marketing agreements with the U. S., Australia and the Argentine. Back in 1926 one spokesman for this view declared at a conference at St. Paul that if these countries would unite they could "fix the world's price of wheat," that they "could have gotten twice the money for our wheat," and that the three English-speaking countries alone could "raise the price of wheat at least fifty per cent above the level that has been maintained." Now we have the agreement. Under it the only possibility for western farmers going on growing wheat during the term of the agreement, and getting paid for it, is for the Canadian Government to continue responsibility for the maintenance of a great carry-over.

The agreement should be temporary. We should contemplate the restoration of Canada's freedom of action soon.

To carry out the restriction on exports for the current crop year, no new machinery is necessary. The Government is already in the wheat market. It can hold enough wheat to make sure that Canada's export quota is not exceeded.

* * *

IN ORDER that the burden on the Government should not become too great, steps should be taken at once toward limiting wheat production in 1934, by extensive substitution of crops. Good reason for that has already been established by conditions in Western Canada. There is a serious shortage of feed. Western farms have been carrying too small reserves. The burden of relief in furnishing feed supplies, even after large numbers of livestock are sacrificed, is bound to be a heavy one. It will not be necessary to establish an extensive system of policing production to bring about improvement. Much can be accomplished in other directions. For example, where seed has to be supplied to farmers in crop failure districts, it should mainly be seed of barley, rye, oats and other fodder crops, with an insistence that farms must be got back to a self-sustaining basis in feed supplies with reserves on hand against disaster, before assistance can be given toward restored production of cash crops. Interference with farmers who are successfully managing their own affairs need not take place, but the Dominion Government, provincial governments and municipalities can unite in a general policy toward those who may be indebted to them and those who require relief. Efforts, not only to grow a season's feed and fodder, but to provide farm reserves of these, should be insisted on as a condition of special treatment. Such a policy will be in the interests, not only of the Dominion Government, and of the provinces, but also of the farmers concerned.

There will be efforts to build up a political machine in Western Canada based on the wheat agreement, which might control either the farm practice or the sales of produce by farmers. Such a machine might provide a number of good jobs, and those most active in advocating it would naturally expect to have first choice. That, however, is one of the things to be avoided.

Investment Notes

Canada Dry to Sell Beer

AMONG the various steps taken by Canada Dry to orientate her business to the new situation created by probable repeal of prohibition in 1934 and to the fact that beer and wine can be sold already comes the announcement that a new company called Hupfel Brewing Co. has been organized as the result of an agreement between Canada Dry and Hupfel Co., Inc. Canada Dry will have a substantial interest in the new company and will distribute the product.

* * *

Buying Ontario Hotels

STORIES circulate widely that purchases are being made of old Ontario hotels and of buildings suitable for taverns. One report is that R. Home Smith and an associated group have been busy in this way. If true, it is very interesting, as R. Home Smith generally has his ear quite close to the ground for things which are going to happen.

The recent guess of ex-Premier Ferguson with reference to a probable return to a system of beer and wine licenses may have been only a method of sounding out public opinion but gossip on the Street is getting lively. Premier Henry's comment on the High Commissioner's reported remarks was cryptic and has not "laid" the gossip.

* * *

Dodge Mfg. Denies Merger

REPORTS of a merger between Standard Steel Construction Co., manufacturer of structural steel, and Dodge Manufacturing Co., manufacturer of power transmission machinery, conveyors and special mining machinery, have no basis in fact, according to an official of the latter company. Transactions in Dodge stocks on the Montreal Curb have been rare this year but Standard Steel common has been more than usually active in Toronto during the past four months having moved in that period from 2½ to 19½. Buying is coming from sources close to the company.

Dodge Manufacturing Co. has experienced better business in the last few months; chief demand being for mining machinery. Volume is stated to be from 20 to 25 per cent ahead of volume in the same period of 1932. At January 31, 1933, the company showed a strong liquid position although a loss of $65,749 was reported for the year after provision for depreciation and taxes.

* * *

Dufferin Paving Volume Good

FIRST preferred stock of Dufferin Paving & Crushed Stone Ltd. has shown little activity on the Toronto Curb this year despite the fact that the company entered the current year with a greater volume of unfilled contracts than it has ever had and that the gross volume of business done this year is the greatest in the company's history. Margin of profit is reported to be small, but in view of the volume of business handled it would seem improbable that the company would operate at a loss.

Net earnings from operations have declined since 1929, most serious reduction being in 1932 when net earnings from operations amounted to only $15,618 as compared with $381,658 in 1931; $825,479 in 1929. The balance sheet showed no cash and bank liabilities of $532,032, which was subsequently reduced by $211,000. While current position could not be considered strong, the balance sheet showed an equity of $198 for each preferred share on which 5 quarterly dividend payments are now in arrears.

* * *

Bruck Silk Mills

AFTER a comparatively lengthy period of inactivity, Bruck Silk Mills common stock has come in for more attention, the volume of trading sometimes running into several thousand shares a day. Last year's financial statement was a satisfactory one from the point of view of earnings. Since the close of the fiscal year the company has stepped up operations and is currently reported as operating on a substantial scale. The company's plant has been extended from time to time, while recently the management installed a steam power plant.

* * *

NIRA Lops Dividends

CANADIAN investors who would like to see a National Industrial Recovery Act for Canada would do well to study carefully the effect which NIRA will have on dividends.

Directors of Crowell Publishing Co., which earned its dividends for all 1933 by July 31, have nevertheless decided not to pay the dividend for the current quarter. They stated this course was adopted in order to conserve cash resources and to provide for increased wages, increased employment in conformity with NRA and other business promotion requirements.

Later on the United States Government may also have to look for taxes from other sources because disappearance of taxable incomes of large corporations may amount to a large item. Taxes on liquors are one alternative.

* * *

Newsprint Securities

THE interest which became apparent in newsprint securities a month or two ago has not died down. Those interested in the speculative features of this group of bonds and stocks, however, have not been able to make up their minds as to whether or not the "industry has turned the corner." Production figures in June and July have been more encouraging, but those who closely follow the fortunes of the industry are not overly impressed. It is pointed out that some of the buying came from publishers who anticipated a possible price increase under the American newsprint code. This has not come to pass, nor is there much likelihood of a price increase, at least this year. Further, the volume of advertising linage, which governs the size of a newspaper, while better, is still running below last year's mark, and about 75 to 80 per cent of the average of the past five years.

The better feeling, however, is reflected in a strengthening of prices though the market for newsprint securities can hardly be classified as active. St. Lawrence Corp. common is selling around 4, while the same company's preferred stock is quoted at 8¾. St. Lawrence Paper Mills preferred shares has been in steady demand with the price range ruling around 18 to 18½. Abitibi common can be bought for just under 2, the preferred at 5⅞ and the bonds from 25 to 27. Consolidated Paper common stock is selling on the market from between 3½ to 4, while the bonds recently moved up two or three points to 18. Price Bros. common stock is to be had for 1½, the preferred at 4 and the bonds at 60 to 61. Earlier in the year, Price Bros. bonds could be picked up in sizeable blocks at around 35. The current level represents an appreciation of better than 70 per cent.

* * *

Canadian Pacific

RECENT statements on earnings of the Canadian Pacific Railway have made better reading for the shareholders. While the outlook for the crop movement is not too encouraging at this time, the gains made in July and those expected for August, have gone a long way toward strengthening confidence in the future outlook for the company. This is reflected in the market value of the company's bonds though they are still selling on a relatively low basis. The convertible 6's are currently bid to yield about 4.25 per cent. The 5's of 1954 return a yield of 6.10 per cent to maturity, while the 4½'s of 1944 yield 6.82 per cent on the same basis. The 5 per cent bonds maturing next year are on a yield basis of nearly 7 per cent at 99 bid.

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STAGE READY FOR HEARING ON TARIFFS

(Continued from page 1)

any brief arriving at Ottawa. Finally, in July, H. B. Shackleton and G. H. Wood, representing the Woollen and Worsted Trade Federation of Great Britain, came to Ottawa and interviewed the commission.

An Informal Meeting

There was nothing formal about the interviews and the visitors did not come armed with a brief setting out production costs in Britain and, in this way, supporting the request for tariff reductions. But the visitors did have authentic material on the industry which proved of value to the commission and as a result of which a conference with the Canadian manufacturers was called.

The Anglo-Canadian treaty guarantees British manufacturers the right to compete in the Canadian market (there is an exception in the case of "infant" industries) on a fair and equal basis, having regard to differences in production costs. The first step in applying this formula is to reach some common agreement as to what are production costs. Once agreement has been reached between British and Canadian manufacturers, the task of determining what the tariff should be is more simple.

The British representatives produced material which the Commission thought of sufficient worth to furnish a basis for agreement. The Canadian manufacturers, however, thought otherwise. They doubted if Canadian figures could be compiled on the British plan, and some items which Canadians believe should be included in production costs did not appear in the British figures at all.

Hearing Arranged

There were prolonged discussions and finally the Tariff Commission seems to have convinced the Canadian manufacturers that the British basis could be accepted at least tentatively. Thereupon the commission discussed with Canadian manufacturers the length of time necessary to formulate Canadian statistics on the British model. The time limit fixed was slightly over two months. This period ends September 30 and the first hearing is now arranged as already stated.

It is understood the Canadian manufacturers are going to great expense to get their figures in shape by the end of September but further delay in holding the hearing may be inevitable.

One of the gravest injustices which has been done to the commission both in England and Canada is the repeated publication of information to the effect that manufacturers are having difficulty complying with questionnaires sent out from Ottawa. A letter of bitter protest has appeared in the London Times from the British side and equally vigorous statements have been published in Canada, coming from Canadian manufacturers.

No Questionnaires Sent

In fact, the Tariff Commission has sent out no questionnaires at all, nor compelled any manufacturer, British or Canadian, to produce a single figure. What the Canadian manufacturers are now doing, they are doing by their own free will. They agreed to attempt to formulate their figures on the British model. As for the letter in the London Times, the writer must have got the commission confused with some other agency of the government.

Under the customs law, if a Canadian merchant complains of goods being dumped in this market, the National Revenue department frequently makes the most searching enquiry into the costs of the exporting manufacturer. Some enquiry of this sort, carried out in England, may have inspired this letter, but certainly no action of the commission did so.

Once both the British and Canadian figures have been assembled and worked out on the same basis, the task of deciding the difference in production costs will be attempted. The determining of the amount of tariff which should apply will naturally follow. Undoubtedly the commission hopes to complete the woollen case in time to enable tariff changes to be brought down in the next budget.

NO NIRA FOR CANADA CONSIDERED IN OTTAWA DESPITE MANY REQUESTS

(Continued from page 1)

ignoring the interests or desires of provable facts, if there are enough of them.

Perhaps the best guide to the effect which the government's undertaking is having on the thought of the people is afforded by the material coming back into Washington from the outside.

A correspondent from Omaha writes of the feeling among the western farmers, whose support has been sought most confidently. He says:

> "What makes it all so puzzling is that it goes so against the tradition that past generations of agriculture have handed down to the present as to what constitutes good husbandry, the teaching of the agricultural colleges, the work of the experiment stations, the two-blades-of-grass idea and even Mr. Wallace's own astounding experiments with hybrid corn to increase the yields. What, one asks, is the value of the 4-H pig clubs and the big-litter contests, if it only results in the production of pigs which are to be wasted? And what is the slaughter of 4,000,000 pigs before they have reached a marketable weight, together with an additional 5,000,000 before they are born, but waste? Even though some of the product may be salvaged for charity, it is still waste to the farmer."

Negro Is Loser

In the south, the NRA campaign has raised a new feature of the race question. An Atlanta correspondent writes:

> "One unfortunate phase of government-regulated wages is the injustice it has worked on the negro. It is certain that already negroes are being displaced by white persons in a number of lines of work. Just so long as extremely low wages and long hours existed, certain jobs were safe for the negro. With a raise in scale and a shortening of hours, the white unemployed were prepared to displace negroes in such jobs as waiters, messengers, janitors, truck drivers, elevator operators. When it seemed likely that negro unemployment might be substituted for white unemployment the situation aroused the concern of leading men of the South, white and black."

In this connection, however, it is fair to add that the latest figures on unemployment show that it has decreased more rapidly in some of the southern states than anywhere else.

Another interesting point is that Atlanta has one Negro communist under conviction and two others and four white persons awaiting trial on charges of trying to incite insurrection. The State has revived for this purpose an old law of Reconstruction days intended to apply to the then recent Confederates.

More Interest in Works

In the Middle West there appears to be less interest in the NRA as a means of overcoming unemployment than in the anticipated public works under the $3,600,000,000 appropriation. A Chicago correspondent describes disappointment and anxiety at the delay in beginning such work. He points out that highway construction is stopped by the first heavy frost. Little can be done in the northern latitudes after November 1. Unless work starts very soon, those who get jobs will earn too little to carry them very far into the winter, and the situation may warrant increased anxiety, instead of relieving it. There are more than 1,000,000 unemployed in Illinois.

Among persons of the highest influence in capitalistic circles, prominence is given to John D. Rockefeller, Jr., who publishes an eloquent statement in support of the NRA plan, and Vincent Astor, who is financing a new magazine to be edited by Dr. Raymond Moley.

Al. Smith's Statement

This gives some extra interest to the qualifications which were attached to the approval of the plan by Alfred E. Smith in the New Outlook. Mr. Smith reminded his readers that the act is limited to two years and in the license provision of one year. He approved trying it as an experiment. At the same time he protested against any excessive enthusiasm which sometimes brings into the discussion "threats, intimidations, compulsion, boycotts, blacklists and suppression of opinion." He warned that the people, while willing to be led, cannot be driven and that they hold officials to the character of public servants and will not allow dictators.

Within a week after this appeared, President Roosevelt read a speech to an audience at Poughkeepsie which contained this passage:

> "The people, through government, are extending as a permanent part of American life—and not just for one year or two years—they are extending their insistence that individuals and associations of individuals shall cease doing many things that have been hurting their neighbors in bygone days."

President's Reply

The words set off by dashes were an interpolation inserted after the copy had been prepared. The inference is natural that they were intended to be a reply to Mr. Smith's observations about the temporary experiment. The law, however, reads as Smith says. A further act of Congress would be necessary to make it a permanent system.

The reactions of public opinion to these discussions develop some startling newspaper language. The great Scripps-Howard chain is looked upon as studying principally to reflect the dominant popular thought at any particular moment. One of its newspapers, the Buffalo Times, springs into an ardent pro-administration editorial this paragraph:

> "America is operating under a dictatorship today, probably the most powerful in the world. But the dictator was chosen by the votes of the people in a free election, and his temporary extraordinary powers were granted by the elected representatives of the people constitutionally."

Fashion Trend

Thus it appears that already there are enthusiasts who, so far from considering the charge of dictatorship a reproach, are telling people that it is something to commend.

All the same that line of thought need not be taken too seriously. It is worth nothing principally as evidence of the trend of an intellectual fashion.

Events of the Week

First part of the NIRA programme has been well started with almost all major industries having now agreed upon codes. Lumber, steel, petroleum and coal codes were approved during the past week and retailers were also brought under the banner.

Lack of an increase in consumer buying power is still proving the most troublesome feature. Also, there has not been any very marked increase in industrial operations. However, the week brought out indications of two moves to be made by the Administration to effect both of these results. One was the announcement of the start of a general buying campaign throughout the country. The other was the increase in open market purchases

(Continued on page 10)

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CAN. PACKERS U. K. EXPORTS GROW APACE

Bacon and Hams Swell Monthly Figures Under Quota Plan

CHANCES GREAT

Canada Still Lowest of Principal Exporters of Hog Products — Denmark Chief Competitor

Growing exports of bacon and ham from Canada throw considerable light on the improving condition of Canada Packers, Canada's most outstanding exporter of packing products. The larger earnings for the year ended March 31, 1933, and the renewal of deferred dividend payments on preferred, bear direct relation to the fact that in that year the exports from Canada of bacon and ham, shoulders and sides were 402,101 cwt. valued at $4,023,518 as compared with exports in the preceding year of 185,146 cwt. valued at $2,446,564. Even since that time exports have been increasing and under the British quota system and the restriction on foreign imports under it there is considerable hope in Canada that exports may continue in an upward direction.

In the first three months of 1933 exports of bacons and hams, shoulders and sides were as follows:

January—41,265 cwt. valued at $371,688.

February—28,795 cwt. valued at $241,734.

March — 51,363 cwt. valued at $448,029.

Exports Are Higher

But exports are higher now. In the month of June alone exports of bacons and hams from Canada amounted to 87,623 cwt. valued at $988,706 of which 85,926 cwt. valued at $957,301 was to the British Isles. The statistics for the twelve months ended June 30 showed 507,795 cwt. exported valued at $5,216,738 of which 482,851 cwt. valued at $4,758,173 went to the United Kingdom.

This very large and continued rate of increase is of great importance not only to a company such as Canada Packers but to the Canadian farmer. It is regarded as indicating that the surplus of wheat and other grains, left with the Canadian farmer has been fed to hogs and other animals and through them is proceeding to market.

There is a good deal of room for further improvement. Although first encouragement came in 1932 because of the fact that in that year the 182,683 cwt. of bacon sent to the United Kingdom was nearly four times as much as in the previous year by weight, still this was only a very small proportion of Great Britain's total imports of 11,500,000 cwt. received from overseas. That total apparently is what Great Britain needs and although the quota is intended to stimulate the production of hogs in large quantities in the United Kingdom as well, it is altogether likely that the Canadians will try now to stay in such a constant market.

Denmark Strongest Competition

Denmark, shut off from Germany by huge tariffs, is persistently sticking to the British market which is its best outlet. Denmark sent 7,672,030 cwt. of bacon to the United Kingdom in 1932, an increase of more than 300,000 cwt. in a year. The Netherlands, Irish Free State and Poland have all been sending more than Canada.

Up to 1931 the United States had a considerable advantage over Canada in the British market in disposing of hams. In 1931 the United States sent 600,631 cwt. of hams out of a total of 831,149 cwt. imported. Canada only sent 72,488 cwt. worth $297,895. The United States received $2,381,000 for their exports of hams. In 1932 the Canadian export of hams had increased to 143,500 cwt. valued at $505,673 while the United States dropped to 465,210 cwt. valued at $1,635,000. Canada is regarded as having made this advance at the United States' expense.

Quality and Regularity Essential

One of the conditions which must be observed by Canadian exporters of ham and bacon to hold the British market is that they must be able continuously to give regular shipments of good quality. For some years up until the time of the break in wheat the world prices for bacon and for meats from hogs generally were lower than those obtaining in Canada. It is, therefore, difficult under those conditions for packers to maintain their hold in the United Kingdom.

Though Canadian farmers turned to hogs in recent years as an outlet for their surplus grain and hog prices dropped to the level of world prices it has taken some time to regain lost ground. Exporters say that if Canadians are wise they will not go out of hogs in the future when grain prices rise high as it is very important for them to hold the British market against the time when grain prices inevitably fall again.

Shipments in the last year or so have been quite steady so far as Wiltshire bacons are concerned. The large increase in June and in July noted is because that is a period when hams are sent in greatest quantities. Wiltshire bacons, which are in greatest demand, are sent regularly from month to month.

J. E. Lattimer, of Macdonald College, McGill University, in a pamphlet entitled "Intra-Empire Trade," calculates that Great Britain imports about four-fifths of the bread stuffs and fruit she consumes, one-half the meat, eggs and dairy products and one-third the fish and vegetables. Her import food bill was about £1,000,000 per day in 1931. Britain annually absorbs around 20 per cent of the world export of barley, 21 per cent of that of sugar, 28 per cent of the oats exported, 32 per cent of the wheat, 40 per cent of the eggs, 49 per cent of the cheese, 64 per cent of the condensed and evaporated milk, 66 per cent of the beef and veal, 67 per cent of the butter, 67 per cent of the bacon, ham and pork and 93 per cent of the world export of mutton and lamb. While these percentages may vary from year to year British is not only the most important but the most steady market for surplus food products. In 1931 of the imports of bacon exceeding 11,000,000 cwt., 96 per cent came from foreign countries. Therein lies one of Canada's great chances.

Spends $180,000,000 on Bacon, Ham

To show that this demand is increasing it may be said that the United Kingdom in the years immediately preceding the war had average imports of 4,787,000 cwt. of bacon and 903,000 cwt. of ham. This had increased in the years from 1924 to 1926 to 7,610,000 cwt. of bacon and 1,449,000 cwt. of ham and in the year 1931 to 11,138,000 cwt. of bacon and 831,000 cwt. of ham. Imports of frozen and salted pork and of lard in the same period increased from less than 1,900,000 cwt. to nearly 3,000,000 cwt. in 1931. The United Kingdom spent in the years before the war yearly £15,483,000 on bacon, in the years 1924 to 1926 £40,770,000 and in 1931 £33,136,000. The lower figure in 1931 represents lower prices whereas actual volume had increased. For both bacon and hams the British people paid $90,000,000 before the war annually and now about $180,000,000. Mr. Latimer points out that of the extra $80,000,000 spent on bacon in 1931 over that spent in 1913 foreign countries absorbed practically the entire expansion in expenditure. It is interesting to know that in the last two years Canada has begun to get some of her own in this market.

Recently, expansion in British imports has not been in grain but in meat, dairy and poultry products. Apparently Canadian farmers therefore must find an ultimate market for their surplus grain in hogs destined for bacon and ham.

Western Canada's Chance

Mr. Lattimer, in the article already referred to, makes the interesting suggestion that the mass production of hogs should be particularly profitable in Western Canada "if anywhere on earth." He feels that in Canada in proximity to the grain elevators where all grades of grain are concentrated, including the screenings which are sometimes unsaleable and frequently quoted at 50 cents per ton, there might be considerable salvage by hog feeding. The screenings could be used and even the low grades of cheap grains. He considers that production of bacon, if considered as an alternative method of marketing grain—a way of salvaging what otherwise might be lost, should be more profitable in those sections producing a surplus of grain than in those importing wheat. Hitherto Western Canada unfortunately, he says, has not produced the type of product popular in the British market and this difficulty must be overcome if Western Canada products are to obtain their share of recognition.

The hog population of the world is regarded as being at its peak at present. It fluctuates according to price. Canada has nearly 5,000,000 hogs, United States nearly 60,000,000, Germany 21,500,000, Denmark, 5,500,000. Mr. Lattimer gives as his most important conclusion that the expansion of hog feeding in Canada during the last two years proves that the sections in which to feed hogs are where grain is plentiful, cheap and difficult to move as grain and that the first sections to give up in the struggle to make money in feeding hogs will naturally be those which depend on purchased feed. It must also be steadily held in mind that the two essential requirements for farm products from Canada in the British market are uniformity in grade and regularity in supply.

Cora Lynn Application Goes to Boundary Comm.

From Our Own Correspondent

VANCOUVER.—Application of the West Kootenay Light & Power Company for permission to go ahead with the Cora Lynn Rapids power development went before the international commission on boundary waters this week. C. A. Magrath, chairman of the Canadian section, presided at the sessions, which were held at Nelson.

Legal representatives of the company stated that permission was sought to store water in Kootenay Lake up to a maximum of six feet above low water and to construct and utilize works to control the flow of the Kootenay River, including the Cora Lynn dam and proposed excavation of 250,000 cubic feet at Grohman Rapids.

West Kootenay Power & Light Company desires fuller use of the lake so that it may be in a position to supply increased power to Consolidated Mining & Smelting Company, of which it is a subsidiary. With a revival in mining activity the Kootenay mines will require a much larger supply of power than at present is available.

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Utilities and Transportation

EXCHANGE LOSS AFFECTS INCOME GATINEAU POWER

Operating Revenue in Second Quarter Greater Than Year Ago

From Our Own Correspondent

MONTREAL.—Gatineau Power Co.'s consolidated operating revenue for the second quarter of 1933 was on a larger basis than for the same period of last year, but net revenue was less owing to the company having to purchase U. S. funds to meet its bond interest payments.

Consolidated operating revenue and other income for the second quarter of 1933 totalled $2,328,806. This compares with $2,265,323 for the second quarter of 1932. Net revenue before interest and depreciation was $2,014,040 as against $2,148,731 in 1932. The 1933 figure is after loss on exchange of $127,026, while the 1932 figure includes a profit on exchange of $125,669.

Smaller Surplus Forward

After all prior charges, the balance of earnings added to surplus in the second quarter of 1933 amounted to $525,037 compared with $671,121 for the second quarter of 1932. Particulars of the income account follow:

Quarter Ended June 30

	1933 $	1932 $
Oper. rev. and other income	2,328,806	2,265,323
Profit on exchange	......	125,669
Loss on exchange	127,026	......
Profit on bonds and debent. redeemed	84,753	54,306
Total gross revenue	2,286,533	2,445,298
Net revenue	2,014,040	2,148,731
Int. on first mort. bonds & prior liens	881,251	885,578
Balance	1,132,789	1,263,153
Interest on debent.	274,386	279,250
Other int., amort of disc., div. on pref. stock of sub.	173,513	166,983
Deprec. and amort. of storage works	159,853	145,799
Balance to surplus	525,037	671,121

Operating Revenue Higher

In the 12 months ended June 30, 1933, consolidated operating revenue and other income of Gatineau Power and subsidiary companies, was $9,332,474. This compares with $9,097,020 for the preceding 12 months and net revenue before interest and depreciation was $8,148,217 compared with $8,274,081. The current figure is after loss on exchange of $269,153, while the 1932 figure includes a profit on exchange of $368,730.

Net revenue of $8,148,217 in the year ended June 30 last was two and three-tenths times the interest on the company's first mortgage bonds and prior liens. After deducting this interest the balance of earnings was $4,621,959, or two-tenths 4.20 times interest on the company's 6 per cent gold debentures.

Position is Maintained

Comparative consolidated earnings statements for the 12 months ended June 30, 1933 and 1932 follow:

Twelve Months Ended June 30

	1933 $	1932 $
Oper. rev. and other income	9,332,474	9,097,020
Profit on exchange	......	368,730
Loss on exchange	269,153	......
Profit on bonds and debent. redeemed	265,587	107,423
Total gross revenue	9,328,908	9,573,173
Net	8,148,217	8,274,081
Int. on first mort. bonds & prior liens	3,526,258	3,549,635
Balance	4,621,959	4,724,446
Interest on debent.	1,103,317	1,122,420
Other int., amort. of disc., div. on pref. stock of sub.	687,560	693,860
Deprec. and amort. of storage works	653,747	578,227
Balance to surplus	2,177,335	2,329,939

Commencing July 1, 1932, the profit arising through premium on United States funds ceased and as shown above there has since been a loss representing the cost of acquiring the balance of United States funds needed for the payment of interest and sinking funds.

Export Demand for Lumber

Canadian lumber dealers are profiting by the continued large demand from Great Britain and the United States. One leading retail dealer in the Ottawa region reports that prices have gone up in the last few months from $4 to $5 a thousand feet.

Central Electric Stations Establish New Record For Production in July

Output Greater Than for Any Similar Month on Record

QUEBEC IN LEAD

Cumulative Returns Ahead of Last Year — Exports Again Move Ahead Last Month

From Our Own Correspondent

MONTREAL. — Central Electric stations in Canada had an output of 1,442,660,000 kw.h. of energy in July—an all-time record production for that month.

There is no particular cause for this remarkable showing. The pulp and paper industry—normally the most important single industrial user of energy—contributed in no small way. Larger requirements for motive power and steam purposes consequent upon the increase in production caused this industry to take more energy. The mining industry's activity is reflected in a larger demand, while domestic use has been on a broader scale.

Industry, more particularly in Quebec and Ontario, has shown more signs of activity of late and thus adding to the demand for electrical energy. Commercial demand, from all reports, would seem to be on much the same basis as has been prevailing for the past several months.

Gains This Year

In its report on production the Bureau of Statistics shows that since the turn of the year there has been a steadily mounting production of electricity. June was one of the best months experienced this year, until the July returns boosted the total to a new record. The gain over June, amounting to about 72,000,000 kw.h., is explained largely by the additional day's operation. But this does not hold true in comparing the returns with July last year when 1,155,581,000 kw.h. of energy were produced.

New All-time Record

Following are the July production figures since the records of the central electric stations were first compiled:

MONTH OF JULY
(Kilowatt Hours)

1925	797,000,000
1926	904,000,000
1927	1,107,000,000
1928	1,248,000,000
1929	1,411,000,000
1930	1,426,000,000
1931	1,251,000,000
1932	1,155,581,000
1933	1,442,660,000

More From Water Power

In breaking down the returns the Bureau shows that the amount of energy generated by water power in July, 1933, was larger than for any one month since January, 1931. Considering that the demand for energy in mid-winter is usually greater than at mid-year, the returns for July last are decidedly encouraging.

Of last month's production 1,419,852,000 kw.h. was generated by water power and 22,808 kw.h. by fuel. The latter represents an average monthly output, so that the gain in total production is ascribed wholly to the increased production of plants using water power.

Maritime Provinces had an output of 53,130,000 kw.h. last month. This is the second largest monthly total this year and compares with only 38,583,000 kw.h. for July, 1932.

Quebec Sets Own Record

Quebec's central electric stations did well by themselves last month, being well ahead of July last year and falling short by only 5,000,000 kw.h. of creating a new all-time record for any one month.

Compared with a year ago the Quebec stations had an increase of roughly 33 per cent in July this year. The gain over July, 1931, was equally impressive, while compared with July, 1930, there was an advance of about 110,000,000 kw.h.

Ontario Forging Ahead

Ontario's central electric stations have been steadily increasing their output this year. Demand for energy in that area dropped to a very low point in 1932, but since the turn of the year production has been on an increasing scale reaching 374,262,000 kw.h. in July, 1933—the best since March, 1932.

There was little change in the Prairie Provinces or British Columbia in July last as compared with the previous month. Output of energy generated by water power totalled 81,191,000 kw.h. in the Prairies and 93,210,000 kw.h. in British Columbia. The Prairie total is slightly larger than in June. 1933, and only a few thousand kilowatt hours under the July, 1932, returns. British Columbia, on the other hand, reports an increase of about 2,000,000 kw.h. over June, 1933, and nearly 5,000,000 kw.h. over July, 1933.

Of the energy generated by fuel in July, the Prairie Provinces accounted for 12,522,000 kw.h. and other provinces 10,286,000 kw.h. Both areas show an increase over the previous month and with July, 1932.

Power Exports Larger

The better July showing was helped in part by an increase in power exports, amounting to 119,184,000 kw.h. This is the largest volume of exports since March, 1931, and the first major increase in more than two years.

Will Help Operators

Improvement in power production this year should be reflected in the earning power of the major operators. In the Maritime Provinces, the Nova Scotia Power Commission has been handling a larger output. There are no recent reports to indicate activities of Nova Scotia Light and Power Co., but presumably that company is holding its own.

In the Quebec area Shawinigan has been able to establish a high point of production. The introduction of electric steam boilers by that company has added materially to its market for primary and secondary power. The production of Beauharnois and deliveries to Montreal Power and Ontario Hydro are apparent in the returns. On the other hand Montreal Power's Cedars Rapids plant and Montreal Island plant are limiting their operations.

Southern Canada Power has been able to maintain operations on a stable basis owing to the diversity of industrial operations in its territory. Canadian Hydro-Electric has benefitted through increasing pulp and paper operations, as well as larger deliveries to Ontario Hydro.

Montreal Power's plants have not been overly active owing to the new deliveries of power from Beauharnois and Montreal Island.

Canada Northern Active

In Ontario Canada Northern Power has been setting up new records for both output and earnings largely due to the mining activity in Northern Ontario.

Manitoba's production of electrical energy has been somewhat backward owing to the slackness of industrial operations in the Winnipeg territory. Elsewhere in the Prairies demand has been reasonably well maintained.

On the coast British Columbia Power has been doing as well as normally, declining earnings indicating a lessening for its services.

Steam Boilers Help Power Industry

From Our Own Correspondent

MONTREAL. — Electric boilers absorbed a larger amount of energy in July, 1933, than was the case in the preceding month. The Bureau of Statistics reports 231,488,000 kw.h. used in electric boilers last month compared with 224,167,000 kw.h. in June, 1933.

Quebec and Manitoba were the only two areas to report an increase in the use of electricity in electric boilers during July. The former province reported consumption of 196,434,000 kw.h. compared with 190,270,000 kw.h. in June. Manitoba's use of electricity in electric boilers for July amounted to 2,049,000 kw.h. as against 623,000 kw.h. in the previous month. Ontario reports a drop from 33,121,000 kw.h. to 32,865,000 kw.h., while British Columbia registered a decline from 153,000 kw.h. to 140,000 kw.h.

N. B. Oil Output Doubles

While New Brunswick's output of crude petroleum is not large, its production for the first half of this year almost doubled that of the previous similar six months, being 4,887 barrels as against 2,860 barrels in 1932.

Railway Earnings

Canadian Pacific Railway

July:	1933 $	1932 $	Increase $
Gross	10,142,427	9,669,343	473,084
Exp.	8,774,047	8,809,634	‡35,587
Net	1,368,380	859,708	508,671
Seven Months:			
Gross	60,865,922	67,714,642	‡6,848,720
Exp.	54,636,401	61,603,055	‡6,960,654
Net	6,229,521	6,111,587	117,933

‡Decrease.

Canadian National Railways

July:	1933 $	1932 $	Decr. $
Gross	13,282,596	12,789,869	*492,727
Op. exp.	12,462,130	12,581,161	119,031
Net R.	820,466	208,708	*611,758
Aggregate to July 31:			
Gross	80,757,467	92,962,357	12,204,890
Op. exp.	82,915,982	92,133,281	9,217,298
Net R. (deficit)	2,158,515	829,076	2,987,592

*Increase.

Wider Use of Electricity Shown in Returns for July

From Our Own Correspondent

MONTREAL.—Consumption of electricity in Canada in July, 1933, was on an appreciably broader scale than that reported for the same month a year ago. At the same time cumulative returns for the first seven months of the current year indicate a greater use of electricity, in the aggregate, than reported for the corresponding period of 1932.

Judged as an index to industrial and business activity, the July returns on the consumption of electrical energy reflect a maintenance of domestic and commercial demand and an increasing use in industrial operations. The latter is particularly evident in Ontario and Quebec, especially the latter where pulp and paper operations (normally a major user of energy) have been more extensive in the past two months.

Quebec Sets Fast Pace

Central stations in Quebec have been setting a fast pace for the industry this year. During July this province came within 5,000,000 kw.h. of setting a new all-time production record for any one month. Ontario plants, which had slipped badly in 1932, have been picking up steadily and production lately has been on a basis comparable to that in 1930 and 1931. Not much change has taken place in the other areas, excepting the Maritimes, which are holding near the peak production set up in 1932.

ELECTRICAL ENERGY CONSUMED IN CANADA
(Millions of Kw.h.)

	Maritimes		Quebec		Ontario		Prairies		B. C.	
	1933	1932	1933	1932	1933	1932	1933	1932	1933	1932
Jan.	55.2	60.3	604.9	576.9	451.5	460.6	134.3	150.2	101.6	107.1
Feb.	42.4	57.7	549.4	546.3	447.4	442.1	120.3	133.5	92.6	96.5
Mar.	48.1	55.2	575.3	584.6	479.3	470.3	123.4	126.3	98.5	100.5
Apr.	50.5	62.1	557.8	576.7	480.2	435.5	109.3	111.9	91.0	92.7
May	58.4	64.4	588.6	522.6	462.9	433.6	103.2	98.1	92.8	92.6
June	63.0	58.1	579.3	492.9	457.8	402.4	92.7	95.4	90.1	85.1
July	62.1	47.4	611.3	467.7	462.7	399.1	93.7	93.5	92.1	87.9
Total	379.7	405.2	4,066.6	3,767.7	3,211.8	3,043.6	776.9	808.9	661.0	670.2
Aver.	54.2	57.9	580.9	538.2	458.8	431.9	110.9	115.5	94.4	95.7

WPG. ELECTRIC INCOME BELOW INTEREST NEEDS

July 1933 Returns Show Shrinkage of Net Revenue

From Our Own Correspondent

MONTREAL. — Winnipeg Electric Co. reports a deficit of $53,302 in July, 1933, after the payment of interest on bonds and other fixed charges. This compares with a deficit of $34,042 on the same basis in July, 1932.

Enlarging upon its usual policy of issuing monthly earnings statements, Winnipeg Electric has adopted the policy of breaking down the income account to show earnings available on the capital stock. The report for July last indicates a gross revenue of $370,733. Operating expenses and depreciation brought the operating net income down to $58,309. Approximately half of this sum was required for taxes, while interest on bonds and other fixed charges amounting to $84,560, resulted in the income account showing a net deficit of $53,302.

Deficit Last Year

For July, 1932, the company reported a gross revenue of $410,309. Expenses and depreciation charges amounted to $331,477 leaving a net operating income of $78,831. Taxes aggregated $27,451 and interest and other fixed charges $85,422, resulting in a deficit of $34,042 for the month.

The similar figures for the first seven months of 1933 are not available.

On the basis of the old form of reporting, Winnipeg Electric had a gross revenue for the first seven months of this year amounting to $3,048,146, against which expenses and depreciation amounted to $2,179,409, leaving a net operating income of $868,736.

For the first seven months of 1932 Winnipeg Electric's gross revenue totalled $3,333,560. Operating expenses and depreciation absorbed $2,345,872, leaving a net income of $987,687.

Affairs of Winnipeg Electric and its subsidiaries are being investigated by a special bondholders' committee. To date no announcement has been made in respect to their findings. Some time is likely to elapse, however, before the bondholders committees' reports are in form to present to the bondholders.

Public Utility Earnings

Jamaica Public Service

	1933 $	1932 $
July—		
Gross earnings	62,619	63,882
Net earnings	23,527	26,025
Surp. after charges	14,233	16,697
12 Mos. end. July 31:		
Gross earnings	794,959	798,172
Net earnings	329,706	316,320
Surp. after charges	218,173	207,968

Gatineau Power

	1933 $	1932 $
Quarter end. June 30:		
Operating rev.	2,328,806	2,265,323
Total gross rev.	2,286,533	2,445,298
Net revenue*	2,014,040	2,148,731
12 Mos. end. June 30:		
Operating rev.	9,332,474	9,097,020
Total gross rev.	9,328,908	9,573,173
Net rev.*	8,148,217	8,274,081

*Before interest, depreciation, etc.

Mexico Tramways Group of Companies

Canadian Currency

Mexico Tramways & Subsidiaries: July:	1933	1932	Increase
Gross earn.	223,610	80,064	143,546
Oper. & depr. exp.	288,451	189,501	98,950
Net earn.	*64,841	*109,437	44,596
Aggre. gross from Jan 1	1,656,944	1,739,282	†82,338
Aggre. net from Jan. 1	*521,838	*485,677	†36,161
Mexican Light & Power & Subsidiaries:			
Gross earn.	685,895	660,398	25,497
Oper. & depr. exp.	430,093	456,292	†26,199
Net earn	255,802	204,106	51,696
Aggre. gross from Jan. 1	5,251,496	5,547,780	†296,284
Aggre. net from Jan. 1	1,908,729	2,040,445	†131,716

*Deficit, †Decrease.

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Can. Western Natural Gas

	1932 $	1933 $	Decrease $
Jan.	296,751	299,064	*2,313
Feb.	338,591	314,774	23,817
March	287,945	250,935	37,010
April	205,967	196,093	9,874
May	126,078	131,174	*5,096
June	85,155	79,797	5,358
Aggregate for 6 mos.	1,340,487	1,271,837	68,650

* Increase.

East Kootenay Power

June	1933 $	1932 $
Gross Income	33,764	38,389
Oper. Expense	11,733	11,390
Net Income	22,031	26,999
Three Months	$	$
Gross Income	99,887	105,048
Oper. Income	33,824	34,424
Net Income	66,063	70,624

Barcelona Traction

July	1933 Pesetas	1932 Pesetas	Incr. %
Gross earn.	8,664,359	8,290,303	4.51
Oper. exp.	3,288,183	2,990,121	9.97
Net earn.	5,376,176	5,300,182	1.43
Seven Mos. Ended July 31:			
Gross earn.	65,812,074	64,553,069	1.95
Oper. exp.	22,263,572	21,345,451	4.32
Net earn.	43,548,502	43,207,618	0.78

Winnipeg Electric Co.

July:	1933 $	1932 $
Gross revenue	370,733	410,309
Exp. & deprec.	312,423	331,477
Oper. income	58,309	78,831
Less: Taxes	27,051	27,451
Int. & other fixed charges	84,560	85,422
Net income	*53,302	*34,042
7 Mos. to July:**		
Gross revenue	3,048,146	3,333,560
Exp. & deprec.	2,179,409	2,345,872
Oper. income	868,736	987,687

*Deficit

**Income figures for seven months on new basis not available.

East Kootenay Power Income on Lower Scale

From Our Own Correspondent

MONTREAL.—East Kootenay Power, subsidiary of Power Corp. of Canada, reported a decline in both gross and net income for June last. During the month the company had an operating revenue of $33,764 as against $38,389 in June, 1932. Operating expenses show a slight increase, leaving net income for June, 1933, at $22,031 compared with $26,999 for the same month a year ago.

For the three months of the fiscal year ended June last, East Kootenay had a gross income of $99,887, or approximately $6,000 less than for the corresponding quarter of 1932. Operating income was slightly lower, leaving net income for the current quarter at $66,063 as against $70,624 for the three months ended June, 1932.

C. N. R. REVENUE FOR JULY AHEAD OF 1932 RETURNS

Gross on Larger Scale With Operating Costs Lower

From Our Own Correspondent

MONTREAL. — A marked improvement is showing in the operating income position of Canadian National Railways for July last. Not only was there an increase in gross revenue, but operating expenses were further reduced, resulting in a substantial gain in net revenue.

Gross revenues for July 1933, amounted to $13,282,596 or nearly $500,000 greater than for the same month last year. Operating expenses were reduced by approximately $120,000, leaving net revenue at $820,466 as against $208,708 in July, 1932.

Cut Down Expenses

For the seven months since January 1 of the current year, gross revenues of the all-inclusive Canadian National Railways System were $80,757,467. This represents a decrease of $12,204,890 as compared with the corresponding period of last year.

Operating expenses for the seven months of 1933 were $82,915,982, a decrease of $9,217,298 from the similar period of last year, leaving a net revenue deficit for the first seven months of this year, of $2,158,515 as against a net revenue in the 1932 period of $829,076, a decrease of $2,987,592.

Interim weekly operating reports for August indicate the maintenance of income on a basis comparable to that reported in August, 1932. With operating expenses held in check, it is likely that the Canadian National net revenue for August this year will equal if not exceed that for the same month a year ago.

City of Toronto
Guaranteed 4½% Bonds
Due September 1st, 1953

These Bonds are guaranteed unconditionally both as to principal and interest by endorsement by the City of Toronto and are issued by the Toronto Harbour Commissioners.

Price: 98.38 and interest, yielding 4.62%

Descriptive circular gladly furnished upon request.

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New Issue

$500,000
Atlantic Utilities Limited
5% First Mortgage and Collateral Trust Bonds
Series A

Dated September 1st, 1933 Maturing September 1st, 1963

Principal and semi-annual interest (March 1st, September 1st) payable in lawful money of the Dominion of Canada at the principal office of The Bank of Nova Scotia in Montreal, Toronto, Halifax, Saint John, or Charlottetown. Coupon Bonds in denominations of $500 and $1,000, with privilege of registration as to principal only. Redeemable as a whole, or in part, on any interest date on thirty days' notice at 105 up to and including September 1st, 1938; 104 up to and including September 1st, 1943; 103 up to and including September 1st, 1948; 102 up to and including September 1st, 1953; 101 up to and including September 1st, 1958; thereafter at 100 to maturity; in each case with accrued interest to date of redemption.

Trustee: Eastern Trust Company, Halifax, N.S.

CAPITALIZATION
(On completion of this financing)

	Authorized	Issued
FUNDED DEBT:		
5% First Mortgage and Collateral Trust Bonds (this issue)	$600,000*	$500,000
6% First (Closed) Mortgage Bonds, due 1943, of The Island Telephone Company Limited (subsidiary company)	Closed	100,000
CAPITAL STOCK:		
Common Stock (no par value, paying 15c. per share annual dividend)	300,000 shs.	270,000 shs.

*$100,000 in escrow to refund bonds of subsidiary. Bonds in addition to $600,000 to be issuable only subject to restrictions to be contained in Trust Deed.

Mr. O. E. Smith, President of the Company, furnishes to us the following information:—

THE COMPANY

Atlantic Utilities Limited, a wholly owned subsidiary of Maritime Telegraph & Telephone Company Limited, was incorporated under the Laws of Nova Scotia in 1929 primarily to hold assets of Maritime Telegraph & Telephone Company Limited not required for the purpose of providing telephone services in the Province of Nova Scotia.

Its assets include all of the issued capital stock (except directors' qualifying shares), of The Island Telephone Company Limited, which owns and operates the principal telephone system in the Province of Prince Edward Island with 4,162 stations, serving a population of about 90,000 and having a value in excess of $1,000,000; all the shares of Eastern Electric & Supply Company Limited, having a value of over $38,000, and land, buildings and equipment in the Province of Nova Scotia, valued at $265,752.

As of June 30th, 1933, after giving effect to this financing and reserving approximately $88,000 to provide for the discharge of a mortgage on the Company's Halifax building securing an issue of First Mortgage Bonds made by one of the Company's predecessors in title and to be called for redemption, the Company will show net current assets in excess of $375,000, consisting principally of cash, marketable securities and demand loans to affiliated companies.

The Company's total net assets before deducting funded debt other than the $100,000 of 6% First Mortgage Bonds of The Island Telephone Company, Limited, will have as of June 30th, 1933, after giving effect to this financing, a value in excess of $1,500,000, representing over $3,000 per $1,000 of bonds outstanding.

PURPOSE OF ISSUE

The proceeds of this issue will be used in part to retire on October 1st, 1933, $80,500 of 6% First Mortgage Bonds due 1947, secured by mortgage on the Company's Halifax building and originally issued by Eastern Telephone & Telegraph Company, the Company's predecessor in title, and the balance to pay off current indebtedness incurred for capital expenditures of subsidiaries already made, and for general corporate purposes.

EARNINGS

Annual net earnings of the Company, after deducting all operating and maintenance expenses, taxes and prior charges, and after writing off by subsidiaries depreciation averaging $48,000 per annum, for the past three years have been as follows:

1930..............$57,111.76 1931 ....$77,893.31 1932..............$62,173.51

On completion of present financing it is estimated that net earnings on the above basis, after depreciation and all other charges except bond interest, will be not less than $85,000 per annum, equal to over three times annual interest of $25,000 on the $500,000 of bonds of this issue to be outstanding.

SECURITY

These bonds will be a direct obligation of the Company and will be secured, in the opinion of Counsel, by a First Mortgage on all the Company's real property which is situated in the Province of Nova Scotia and by collateral deposit with the Trustee of all the Company's holdings of shares of The Island Telephone Company, Limited and Eastern Electric & Supply Company, Limited, and by a floating charge on all other assets of the Company, both present and future.

Of the total issue of $600,000 of 5% First Mortgage and Collateral Trust Bonds, $100,000 principal amount will be held in escrow by the Trustee for funding at or before maturity the presently outstanding $100,000 of First Mortgage Bonds due 1943 of The Island Telephone Company, Limited, which mortgage is closed at that amount.

Atlantic Utilities Limited, covenants that neither The Island Telephone Company, Limited, nor Eastern Electric & Supply Company, Limited, will issue except to Atlantic Utilities Limited, mortgage bonds or other securities or shares ranking prior to common shares of those companies respectively owned by Atlantic Utilities Limited.

Atlantic Utilities Limited is an integral part of Maritime Telegraph & Telephone Company's system and its directors, officers and management are identical with those of the parent company.

We offer these Bonds for delivery if, as and when issued and received by us and subject to the approval of all proceedings by Messrs. Stairs, Dixon & Claxton, of Montreal, Counsel for ourselves, and Messrs. Pearson and Rutledge, of Halifax, Counsel for the Company.

Price: 94½ to yield about 5.35%

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The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

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A SECURITY
Suited to Today's Conditions

A well-balanced investment portfolio contains an adequate backlog of sound income-producing securities. The relatively high yield on

CHAMPLAIN OIL PRODUCTS
LIMITED
Cumulative Participating No Par Value Preference Shares

is attractive to investors desirous of increasing income return. The Company has a valuable contract for the supply of its products with three large Canadian oil companies upon terms which assure a substantial margin of profit.

Dividends at the rate of 60 cents a share per annum, payable quarterly, accrue from August 1st, 1933

Price: $7.50 per share to yield 8%

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News of Investment Markets

ALBERTA ISSUE, MONTREAL BONDS PUT ON MARKET

Gilt-edged Bonds Still Rising and Yields Declining

GRAIN LIENS SOFT

Pegged Wheat Prices and World Wheat Pact Blamed; Other Corporation Bonds Have Mixed Trend

Continued firmness in gilt-edged Canadian bonds has featured the market in the last week. The average yield on seven bonds compiled by The Financial Post has been at the lowest levels of the year, meaning that prices are at their highest. Offerings of bonds by the province of Alberta and the city of Montreal were the chief sales features.

Corporation bonds have been spotty, with gains and declines mingled. Public utility securities have shown a tendency to strengthen further.

Outstanding among corporation bonds has been a weakness in grain company liens. Two factors are blamed; first, pegged prices at Winnipeg; second, the international wheat agreement to restrict production and marketing. Pegged prices are viewed by individualist observers as adding to the confused situation and aggravating the uncertainty in the grain trade. The agreement to restrict production and rumors that legislation to this end may be introduced in Canada is seen as a possible unfavorable factor for the elevator companies. It is thought that the quantity of grain to be stored may be lessened as a result with consequent adverse effect on grain company revenues.

Grain Bonds

Among the declines in grain bonds in the week ended Aug. 28 were Alberta Pacific 6's of 1946, down 4⅛ points to 73⅛; Federal Grain 6's of 1949, down 4½ points to 69½; United Grain 5's of 1948, down 1½ points to 76½, and the 5½'s of 1949 down four points to 78½. These references are to bid prices.

Advances in price among the utilities were registered by Calgary Power 5's of 1960, Montreal Island Power 5½'s of 1957, Montreal Tramways 5's of 1941, Quebec Power 5's of 1968 and Rio de Janiero Tramways 5's of 1935. Comparative quotations on these and other corporation issues are to be found on page 14.

Other advances in corporation bond prices were shown by some real estate issues, such as T. Eaton Realty, Metropolitan Building and Northern Ontario Building liens. Aside from some of the usual wide changes among speculative issues, other corporation bonds failed to develop a price trend.

Montreal Bonds Offered

This week's offering of $13,500,000 of city of Montreal debentures, due 1934-1948, has been expected for some time. The bonds are being sold to yield from 4.30 to 4.85 per cent depending on whether the maturities are short or long term.

The yield on the Montreal bonds compares attractively with those on bonds of other large eastern Canadian municipalities. The reason is chiefly that Montreal's finances are not regarded quite as favorably as those of such cities as Ottawa and Toronto, for instance. Montreal's tax collections within its fiscal year from the 1932 levy were only 65.7 per cent. This ratio was 72.6 per cent in 1929, 72.16 per cent in 1930 and 70.86 per cent in 1931. Both Ottawa and Toronto, in contrast, collected over 80 per cent of their 1932 tax levies within their respective fiscal years. However, Montreal collected 10.9 per cent of the tax levy between Dec. 31, 1932, and Aug. 1, 1933, according to the city's figures. This brings the total collected to Aug. 1, 1933, to 76.6 per cent of the total 1932 levy.

Montreal had deficits totalling $2,971,563 in the two years 1931 and 1932. But $2,703,626 of this was on account of contributions to sinking fund.

Alberta Issue Offered

A province of Alberta five per cent issue, due 1955, is now being offered through a syndicate headed by Wood, Gundy & Co. The $1,000,000 of bonds entailed is being offered at 95.20 to yield about 5.375 per cent. This compares with a yield of 5.33 per cent on open market offerings of Alberta 4½'s payable in Canada and New York. Alberta 6's of 1947, payable only in Canada, are being offered on the open market to yield 5.68 per cent, but neither of these quotations are strictly comparable with the new issue.

The financial position of Alberta is considered by most bond dealers to be the best of any of the three prairie provinces. This accounts for the price (93.37), the best received by any western province for a new issue this year.

Improvement in Finances

Alberta's budget deficit was reduced by about $3,000,000 in the year ended March 31, 1933, compared with the previous year. The deficit in 1932 had been $5,153,051. It is now expected that the 1933 deficit will be a little over $2,000,000, from figures subject to final audit. This is in close agreement with an estimate published recently in The Financial Post. In the deficit is included $877,000 provision for sinking funds.

Early figures on operations for 1934 indicate little change from results from the last fiscal period. But it is too early to judge the year yet. The 1934 budget was drawn up to provide a surplus of $9,700.

The net funded and unfunded debt of the province was $140,987,535 at Aug. 30, 1933, as against $144,608,732 at March 31, 1933, a reduction of $3,621,197. All this decrease is due to payments from the Canadian railways in larger amount than the debt reduction.

The proceeds of this issue and funds already on hand are to be applied to meet $3,000,000 of 5½ per cent bonds maturing Nov. 1, 1933.

Province's Position

The economic position of the province has been adversely affected by low prices for agricultural produce. Last year the crops in the province did not enjoy as great relative improvement over 1931 as in Manitoba and Saskatchewan. This was partly because conditions were better in 1931 in Alberta than in the other two provinces. This year it is estimated by authorities that Alberta's wheat crop will show one of the lowest yields per acre in the history of the province, a normally rich wheat area.

Both the Montreal and Alberta issues continue the current vogue being payable in "lawful money of Canada."

As a result of the low yields obtainable on the bonds of the Dominion, eastern provinces and leading municipalities, western provincial bonds have been getting increased attention from smaller investors. Institutions are understood to have been avoiding western provincial issues because of already substantial holdings. There are understood to be one or two notable exceptions to this in the case of a recent issue of Albertas and the recently floated B. C. issue. Institutions are reported to have taken large blocks of these bonds. This is something of a guide to the small investor as to the expert opinion of the yields available on some western provincial bonds.

The firmness of gilt-edged bonds in Canada is shown in the steadily declining yields available to investors. As prices go up yields go down. The rise in prices is illustrated on this page. The declining trend of yields is shown below:

Average Yield on Seven High-Grade Canadian Bonds

Date	%	Date	%
Aug. 29	4.341	Aug. 1	4.447
Aug. 28	4.353	July 3	4.509
Aug. 26	4.363	June 1	4.467
Aug. 25	4.366	May 1	4.655
Aug. 24	4.370	Apr. 1	4.670
Aug. 23	4.390	Mar. 1	4.640
Aug. 22	4.399	Feb. 1	4.597

4½% Conversion Loan Said Likely of Success

Rumors of Further Cut in Rate of Bank Deposits Denied—Size of Conversion Estimated From 200 to 475 Millions—Prospect Improved Since Spring

With the Dominion Government's 1933 conversion loan operation only four to six weeks away, speculation is rife as to the rate at which the conversion will be attempted. Bond dealers are agreed that a 4½ per cent conversion could probably be made an immediate success, if present prices for high-grades are maintained. It is also thought that 4¼ per cent might be a successful rate, but that four per cent is too low even with the firm market for gilt-edged bonds which has prevailed for several months. The prospects for a successful conversion are considered greatly improved since spring.

There is no further reduction of interest rates on bank and trust company deposits in early prospect, The Financial Post is informed. Talk of such further reduction has been heard in some quarters, but is denied by reliable sources consulted by The Post. This means that the bond market will have to stand on its own feet and work out its own betterment up to the time the conversion is made sometime between Oct. 1 and Oct. 15. The market has been well able to do this recently, as the chart on this page shows.

Some informed students of the market are sceptical as to whether the last interest rate reduction has been a prime factor in the rise of prices anyway.

Size of Conversion

The conversion loan may be made for anywhere from $200,000,000 to $475,000,000 in amount. The former figure is considered a certainty. The latter is not regarded as quite so sure. The amount of the loan may be estimated as follows:

Items Affecting Size of 1933 Dominion Conversion Loan

	$
5½% loan due Nov. 1, '33	169,971,850
Unfunded portion of deficit ..	*75,000,000
5½% loan due Nov 1, '34	226,138,350
Total	471,110,200

*Estimated.

The deficit to be funded may be less. Some $73,000,000 has already been borrowed in Great Britain which has reduced the estimate of new money to be raised within Canada. Then the deficit may be less than the $150,000,000 which was originally forecast. If, say, it were $100,000,000, including the C.N.R. deficit, then the new money which would be needed in October might amount to only about $25,000,000. The size of the deficit may be reduced if business continues to improve and tax returns consequently to increase.

Probable Interest Rate

Recent prices for Dominion issues on the open market indicate the prospects of the conversion loan as to interest rates. Dominion 4½'s of 1947-57, issued in the conversion of 1931 are selling about 100¼. Dominion 4's of 1947-52 are about 96¼. The 5½ per cent loans of 1933 and 1934, which are these which are likely to be offered the conversion privilege, are quoted at about 100¼ and 102 respectively. From this it would appear that a 4½ per cent conversion offer would be a near approach to an open market trade. Unless the market rises sharply before October, it would appear that a cash premium might have to be offered to induce holders of the 5½ per cent issues to take four or even 4¼ per cent bonds in exchange. They could do better by switching in the prevailing open market than by accepting a conversion to such rates.

The rise in prices of gilt-edged bonds is attributed to several causes. Among them are: (1) the reduction of interest rates on bank savings and trust company deposits of one half per cent; (2) the recovery programme in the United States; (3) improvement in general business conditions in Canada and greater resultant confidence; (4) success of the £15,000,000 sterling loan, which raised a potential burden of bond sales from the Canadian market.

Whether or not the rise of Canadian Government bonds has been brought about by intent of the government or by chance, it comes at a convenient time for the Dominion. It makes the prospects of a successful conversion much more likely than was apparent last spring when the operation was authorized by Parliament, in the opinion of financial men.

Bond Sales

City of Montreal

City of Montreal has sold $13,500,000 of debentures maturing from 1934 to 1948 to a comprehensive syndicate headed by the Bank of Montreal. The price paid to the city is understood to be about 96, a cost basis to Montreal of slightly less than five per cent.

Province of Alberta

Province of Alberta has sold $1,000,000 of five per cent bonds, due 1955, to a syndicate headed by Wood, Gundy & Co., Ltd., at 93.37. The cost basis to the province at this price is 5.525 per cent. A 10-day option was also granted to the syndicate on a further $1,000,000 of bonds at the same price.

Cornwall, Ont.

Town of Cornwall, Ont., has sold $24,015 of five per cent 20-installment debentures to Dyment, Anderson & Co., Toronto, at 100.11, a cost basis to the town of about 4.99 per cent. Bids were as follows:

Dyment Anderson & Co.	100.11
Wood, Gundy & Co.	99.78
A. E. Ames & Co.	99.75
Dom. Securities Corp.	99.675
R. A. Daly & Co.	99.64
C. H. Burgess & Co.	99.57
Gairdner & Co.	97.25*

*Asked for option at this price.

Bond Tenders

5 p.m., Sept. 5, Buckingham, P.Q.—$20,600 5 per cent bonds dated Nov. 1, 1933, redeemable serially from Nov. 1, 1934 to Nov. 1, 1963, to reimburse general fund for moneys spent on public works. H. J. Gorman, sec.-treas.

4 p.m., County of Lenark—$35,300, 5 per cent 15-year highway debentures. R. M. Anderson, clerk.

Vancouver Tax Receipts Almost Equal 1932 Results

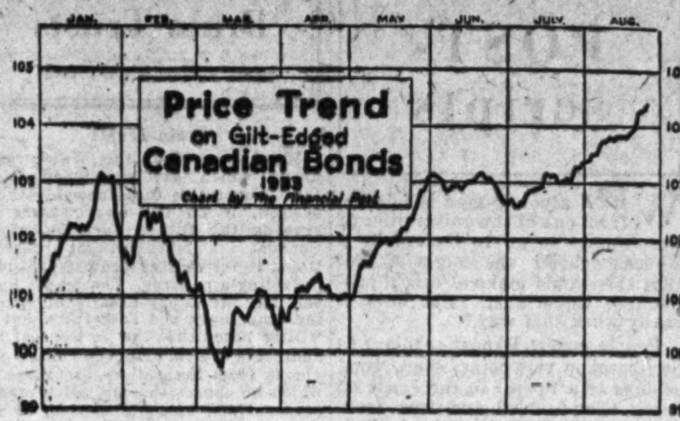
"If the city's tax receipts continue on the same relative basis Vancouver's cash position will be maintained," declared Acting Comptroller Walter Wardhaugh, who recently reported that tax collections up to August 14, amounted to $8,907,895. Collections for the same period 1932, were $9,036,899. The decrease this year is roughly $129,000.

North Vancouver's current tax collections amounted to $178,214 compared with $167,062 last year in the seven-month period and arrears to $18,625 compared with $11,241 in 1932. Receipts from water rates this year during the seven months reached $21,673 compared with $16,112 last year, and trade and motor licenses were $5,665, an increase of $1,107 over 1932.

New Branch Plants

Twenty-nine new branch plants were established in Canada during the first six months of 1933.

Gild-Edged Bonds Continue Steady Advance



Continuance of the rising trend of gilt-edged bond prices on the Canadian market is illustrated in the above chart of daily averages. Prices are now at about their highest point since before the war, although there is no fully comparable measure for the long period. The transformation of the market in the last six months is clearly shown by the chart. In late February and early March of this year the gilt-edged bond market in Canada was suffering severely from the United States banking crisis. Since then the American recovery reduced interest rates (at May 1) and flotation of a large sterling loan (July 31) have contributed to the advance. While the chart does not portray the average price of all Canadian gilt-edged bonds, it indicates the trend of prices for such securities. Implications of this rise to the forthcoming Dominion conversion loan are discussed elsewhere in this issue.

'LANTIC UTILITIES MORTGAGE BONDS OFFERED AT 95¼

Maritime Telegraph Subsidiary Raising Capital for Corporate Needs

From Our Own Correspondent

MONTREAL.—W. C. Pitfield and Co. are offering $500,000 series "A" 5 per cent mortgage and collateral trust bonds of the Atlantic Utilities Ltd., a wholly-owned subsidiary of Maritime Telegraph and Telephone Co.

Atlantic Utilities was brought into being in 1929 primarily to hold assets of the parent company not required for the purpose of providing telephone services in Nova Scotia. These assets include all the capital stock of the Island Telephone Co., operating the principal telephone system in Prince Edward Island; all the shares of Eastern Electric and Supply Co.; and sundry lands, buildings and equipment in Nova Scotia.

Particulars of the issue follow:

$500,000
Atlantic Utilities Ltd.
5% First Mortgage & Collateral Trust Bonds Series A

Dated: Sept. 1, 1933. Due: Sept. 1, 1963.

Payable as to interest and principal in Canadian funds only.

Capital:	Authorized	Issued
5% 1st mtge. bonds (this issue)	*$600,000	$500,000
6% 1st closed mtge. bonds, Island Telephone Co.	Closed	100,000
Common stock, n.p.v.	300,000 sh.	270,000 sh.

*$100,000 in escrow to refund bonds of subsidiary.

Company: Holding concern, controlling Island Telephone Co., and various real estate properties in Nova Scotia.

Control: Subsidiary of Maritime Telegraph and Telephone Co.

Assets: Total net assets before deducting funded debt other than $100,000 of Island Telephone Co., will have as of June 30, 1933, a value in excess of $1,500,000.

Purpose of Issue: Used in part to retire on October 1, 1933, $80,500 of 6 per cent first mortgage bonds due 1947, originally issued by Eastern Telephone and Telegraph Co., and balance to pay off current indebtedness and for general corporate purposes.

Earnings: Net income amounted to $62,173 in 1932, compared with $77,893 in 1931 and $57,111 in 1930.

Security: Direct obligation and secured by a first mortgage on all the company's real property and by collateral deposit of all the company's holdings of shares of the Island Telephone Co. and Eastern Electric and Supply Co. and by a floating charge on all other assets.

Offered: By W. C. Pitfield and Co. at 94½ to yield 5.35 per cent.

Alberta Shows Decrease of $4,371,458 in Debt

A reduction of $4,371,458 in the public debt of Alberta has been made, leaving the net funded and unfunded debt as at June 30, $140,287,273, according to the recently published report of cash receipts and payments for the first quarter of the current fiscal year. Installment payments from the railways made possible this substantial cut in provincial liabilities.

Revenues for the quarter were $3,663,616, and payments $4,013,888, as compared with $4,019,711 and $4,123,542 a year ago.

Dealing only with operations of the first quarter of the year, the report is of interim significance only. It is not possible to estimate the year's results from the statement.

Standards Agreed On for Binder Head Screws

The Canadian Engineering Standards Association has just published a standard, No. B 35-1933, covering binder head screws used in the electrical trade for the purpose of securely holding wires or clips.

The preparation of this standard has involved a very extensive study of the situation, as it was found that there was an unnecessarily large variety in design of head, which caused great confusion in the trade and also resulted in high manufacturing costs. As a result of various conferences among those interested in this project, an agreement has been reached on a range of five screws and one design of head. The No. 5 screw provides for a large head as well as the standard, and the No. 6 a small head as well as the standard, this having been done to meet the definite requirements of certain manufacturers.

It is believed by the association that this standard will effect a very valuable simplification in the manufacture of this product, and all interested are urged to adhere as closely as possible to this list, particularly in new work.

it's a NEW hat
it's a BROCK
and it's only
FIVE
DOLLARS!

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Montreal	Aug. 30 ...	Bank of Montreal and syndicate	4½%	1934-48	$13,500,000	....	....
Cornwall	Aug.	Dyment, Anderson & Co.	5%	20-ins.	24,015	100.11	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered By	Rate	Maturity	Amount	Price	Yield
Atlantic Utilities	Aug.	W. C. Pitfield & Co.	5%	30-yr	$500,000	94½	5.35%

Chartered 1864
Savings Deposits
Withdrawable by cheque
Debentures
$100 and over—1 to 5 years
The Huron & Erie
MORTGAGE CORPORATION

Ford V-8 Triumphs
IN COMMERCIAL TRANSPORTATION

AMAZES CANADIAN BUSINESS FIRMS WITH ITS ECONOMICAL OPERATION—SOLVES TODAY'S HAULING PROBLEMS

FOR the first time the performance that can be had only with a V-8 engine has been made available in a low-priced truck.

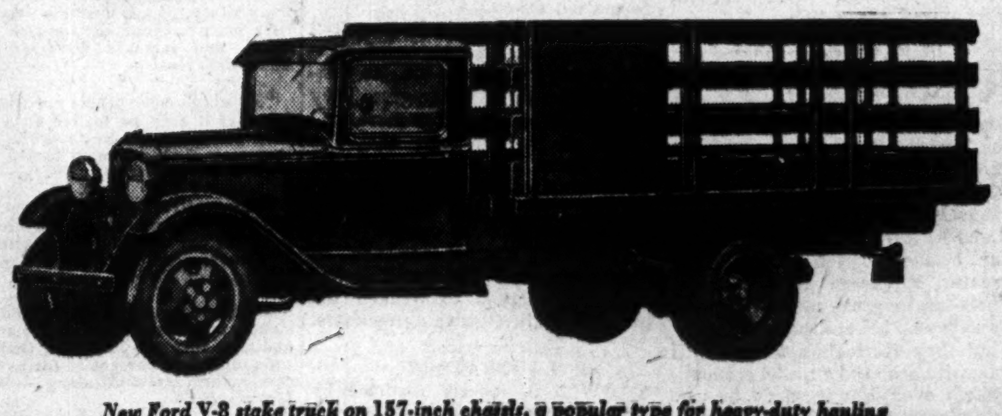
This is the answer to today's hauling problems. Some firms have adopted lighter trucks. They need Ford V-8 power. Others now carry lighter loads and make more trips. They need Ford V-8 speed. Others run fewer trucks, with heavier loads. They need Ford V-8 power and speed and stamina. These things mean a new trend in commercial haulage, met perfectly by Ford V-8 equipment at low cost.

Ford V-8 trucks are not only low in price, but economical to operate and maintain. Their full 80 horsepower costs you nothing when not used; 35 to 45 miles per hour, at which trucks are usually driven, is the V-8's most economical range. This economy is so high as to place Ford V-8 performance within reach of any Canadian truck owner.

Whether you need a handsome panel delivery for town and suburbs, or a sturdy, big stake truck for a back-breaking job, the Ford V-8 offers you most for your money, in first cost and running expense. There are two truck chassis, 131½ and 157 inch wheelbase and the commercial car chassis, 112-inch. Bodies are designed in a wide range to meet every transportation need. See your Ford dealer.

Ford "THE CANADIAN TRUCK"

80 HORSEPOWER


New Ford V-8 stake truck on 157-inch chassis, a popular type for heavy-duty hauling

FORD V-8 TRUCK FEATURES

High torque, 149 foot pounds at 1000 r.p.m. Over 140 foot pounds from 750 to 2200 r.p.m., giving exceptional ability to pull steadily under heavy conditions and maintain speed with full load. Aluminum cylinder heads permit higher compression, increasing fuel economy. Automatic spark control. Downdraft carburetor. Exhaust valve seat inserts double mileage between valve grindings. Cylinder blocks and crankcase in one piece.

New Ford V-8 Sedan Delivery, a handsome unit for retail deliveries

FORD V-8 COMMERCIAL CAR FEATURES

Wheelbase 112 inches. Long X-type double-drop frame cuts down overhang and gives added support to bodies. Three-speed transmission with synchronized second and high. Silent second. Fuel tank at rear. ¾-floating rear axle with straddle-mounted driving pinion, same design as in truck. Self-adjusting double-acting hydraulic shock absorbers. All-steel, factory-built bodies.

FORD MOTOR COMPANY OF CANADA, LIMITED

See Ford V-8 exhibit at Canadian National Exhibition, August 25 to September 9.

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Single Insertion—$3.65 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE

Canada, United States, Mexico, British Empire, $5.00 per year; all other countries, $6.00.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Ave., Toronto 2

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor, GT. BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W. 1, E. J. Dodd, Director, Telegraphic address, Atabek, Lesquare, London.

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TORONTO, SEPTEMBER 2, 1933

RUSSIA AND FRANCE WIN IN WHEAT PARLEY

TWO countries have reason to feel that their international status has been improved through the international wheat conference at London. These are Russia and France. The rest of the world was struggling to come to an agreement on wheat, but could do nothing without Russian participation. So Russia allowed herself to be persuaded to agree to limit her export of wheat this crop year and the one to follow. She got nothing tangible out of it herself, for the international wheat market is a matter of small importance to a country which sets out to raise 800,000,000 bushels or so of wheat, of which from ninety to ninety-five per cent and perhaps more is intended for home consumption. She gave nothing of importance, because it is altogether probable that she will not have that quantity of wheat to spare, and in any event if she has she can simply switch her export of bread-stuffs to rye instead of to wheat. But she got a degree of recognition of international importance which has not previously been accorded her, through taking part at their request in an attempt to restore the economic health of capitalistic countries, which is surely the strangest rôle which Russia has yet been called on to play. Further, Russia is in a position to claim a moral advantage from her flat refusal to consider limitation of food production so long as there are people in need of food, on which she may later base a claim that the ethics of the atheistic state is superior to that of Christian and capitalistic countries.

Then there is France, whose policy of international restoration of the gold standard was flouted at the World Economic Conference. But along came a wheat conference, in which the United States was attempting to force various countries of the world into a plan already adopted in that country. France really was not greatly interested, since she seems to have balanced her production and her requirements very closely, but she was willing to come in. And no matter what the economic conference had done, the wheat conference was forced to recognize the gold standard.

It had to agree on a standard price, and this was fixed as being the price of wheat on British markets. But neither British measures, nor British money would serve to define the price. It has been defined, not in shillings, or in cents per bushel, but in gold francs per quintal.

But the recognition of the gold standard goes farther than that. Enhancement of wheat prices was agreed upon as desirable, in fact as an objective to which all participating countries are committed. But the enhancement considered and agreed upon as desirable is an enhancement in terms of gold prices. It was one thing to discover that only in terms of gold was it possible to agree upon an international definition of wheat. It was possibly a much more important thing although there is nothing as yet to indicate the extent to which it was realized by negotiators at London, that the various countries there should indicate a desire to have gold prices rise.

British policy for example, since the gold standard was left, has been quite the reverse, to keep prices from rising in terms of depreciated sterling, which of course means bringing about a fall in prices expressed in terms of gold. And the United States, formerly rather scornfully indifferent to what happened to gold prices, so long as prices might be improved in terms of domestic currency, finds the wheat agreement for which it fought so hard established on a gold basis.

UNCLE SAM AND NRA

LETTERS to the editor in a number of United States newspapers bring to light a feeling of resentment on the part of many people at the apparent inconsistency shown by the American Government in its NRA programme. Washington is virtually forcing private concerns to hire more men and women and increase wages. At the same time the government is carrying through with its programme of curtailing the personnel in the governmental service and reducing the wages of its civil service employees.

"Why doesn't Uncle Sam tack up a blue eagle sign on his own front door?" various puzzled citizens ask.

Last week Secretary of Commerce Roper undertook to explain the "apparent inconsistency" between the Government's policy of retrenchment and the NRA's policy of expansion. His prime points were: (1) Business and industry began to deflate expenses immediately after the 1929 crash whereas for four years the government added 10,000 workers to its payrolls and attempted to maintain salaries at boom levels in a further attempt to break the depression. (2) This federal policy produced a series of treasury deficits which the country voted to end in the election of Franklin D. Roosevelt. (3) The government is now reorganizing itself on a permanent long-range basis whereas business is being asked to adopt a policy of expansion as a temporary emergency measure. (4) The government's $3,300,000,000 public works programme more than offsets its operating economies as an NRA stimulant.

To which "Time" the news magazine, adds another sound point: The government is spending public money on which the taxpayer gets no tangible returns whereas the private employer who expands under NRA presumably can look forward to eventual profits.

SHORTER HOURS AND IDLENESS

A CALVINISTIC worship of toil is shown by John W. Davis, former United States ambassador to Great Britain, once a Democratic candidate for the presidency, when he says:

> "I have always believed, and still do, that no man should work less than eight hours a day. What are we going to do with all these extra hours? Honestly, how many men do you know who will use them for self-improvement, for reading a worthwhile book, or studying something they need? You know very, very few. And I know of very few."

It is somewhat surprising to find a paper like the Evening Telegram, Toronto, agreeing with Mr. Davis. It says:

> "There is certainly danger in organizing society on a basis which will provide men with leisure for which they have no use, for there is still a tendency to find 'evil for idle hands to do'."

The Telegram does, however, make a distinction between the short work week as a temporary relief policy which it approves and as a long term programme which it apparently distrusts.

The spread of leisure gives us a more dynamic society and the more dynamic our society the greater will be the mischief-making but at the same time the greater the absorption of time into self-improvement. There may be more automobile accidents, drownings, trespasses on private property, and perhaps departures from the moral code on Sunday than on other days of the week but this is no argument for a seven-day working week because, apart from the religious aspect, the untoiling Sunday is a necessary asset to Society.

The world is a better place and human beings are more enlightened and happy today than they were when twelve and fourteen hours comprised a working day. (In 1816 a committee of the British House of Commons reported that in the cotton factories children of six were working fifteen hours a day). On the whole, the people have done rather well with their new leisure.

Reference to "evil for idle hands to do" suggests no adequate criticism of the shortening of the hours of toil through more efficient mechanized production.

IS SAVING A SIN?

REV. DR. SALEM G. BLAND, a kindly Toronto Socialist minister, writes weekly sermons for the Toronto Star, all of which are exceedingly interesting, but most of which are heavily underscored with counsels of economic perfection. Dr. Bland believes that a revolution in our economic system will bring greater happiness to the world. There are a great many people in Canada who believe that. Of course, what they overlook is that even if the world achieved a model economic system overnight it would be useless without the elimination of avarice, selfishness, intellectual pigheadedness and social ignorance which interfere with the proper working of our present social system. The trouble is not with the system but with the moral standards of the people who run it. And the system is not run by some small, well-integrated group but by everyone, including Dr. Bland.

In one of his recent articles, Dr. Bland confessed that he was frankly puzzled to know whether or not saving is a Christain virtue. He was brought up in a home where great carefulness of expenditure was practised. From his early training, he has always been sympathetic with economy, thrift, saving—whatever one may call it. He hates waste. But he has found as life has gone on that he has had a growing sense of the dangers of thrift and the advantages of free spending. He feels that the main root of the depression is that ordinary people did not spend enough and that there can be no cure until the mass of the people have more to spend and spend it freely. Even the most simple people, he argues, are beginning to see the folly of saving to purchase watered stock and to enlarge industrial plans already too large. Thrift and saving he thinks, are legitimate in a capitalistic society, and even necessary, but he knows that there will be as little place for it in such a society as Jesus is going to bring in as for the piratical manipulation and juggling to which it so naturally and perhaps inevitably leads.

But does saving lead naturally to financial piracy? This is like condemning the business of agriculture because the world is full of gluttons. Or going to church because some people are hypocrites. Or the invention of printing presses because of the Yellow Journals.

Dr. Bland apparently has a very clear idea of the sort of society Jesus is going to bring in. Leaders of the church are doing their part to usher in that society when they teach people to be good citizens, socially honest. This is not a question of Capitalism or Socialism. Any social or economic system is bound to function badly so long as the people themselves are imperfect.

THE KING'S ENGLISH

A REVIEW in the London Times of a recent Hollywood picture, in which the events of the story were outlined against an English background, remarked that the American accents of two or three of the principal characters contrasted sharply with the English roles they were attempting to play. It so happened that in this picture all of the principal parts, with one exception, were taken by players recruited from the English stage. The Times' comment must, then, have been directed against the one American-born player, an exceedingly clever girl recently risen to stardom who is the product of amateur theatricals and the excellent training schools that America now affords in that field. And to the unbiased observer it seemed that her accent was neither Hollywood nor Oxford but rather the simple, well modulated English that is common to a large group of Americans and a large group of English people. The Times' comment was unjust.

What is the King's English? Obviously it is not Broadway's harsh metallic tone Obviously too it is not the exaggerated "deah, deah" that we in Canada speak of as Oxford accent but that in England is known as "West End." Those who have heard King George V speak in person or over the radio have heard a version of the English language that would ring as true in a Boston or a Charleston home as it would in any of the better homes of England or Canada. Is the king's simple, unexaggerated accent not the best example we have of the King's English?

BACKERS OF CRIME

A WITNESS before the United States Senate committee on rackets made the statement that in his opinion the machine gun has no place in organized society except for the police and military forces."

The amazing thing about the statement is that any remark so obvious should have had to be made in a congressional committee. Yet it is true that in the United States the machine gun has not yet been reserved for public use.

When New York State attempted to legislate for greater control of the traffic in firearms, lobbies from firearms and ammunition manufacturers descended on the State Capitol.

The criminal in his war on society has the financial support of the same interests who back the war makers in the international field.

BRITISH OPTIMISM AND THE TARIFF BOARD

A LETTER to the London Times, recently reprinted in The Financial Post, quoted a British M. P. as saying that the Canadian Tariff Board had sent to British firms, questionnaires of such an inquisitorial character that no self-respecting firm could give the information asked.

British firms should be prepared to give at least as much information about their costs, etc., as Canadian firms are asked to give. They should not be asked for more.

But is it even true that the tariff board has sent inquisitorial questionnaires to British firms? Ottawa advices are to the effect that such is not the case.

Some of the propaganda in Britain against the tariff board may be designed to weaken the prestige of the Ottawa agreements.

LABORATORY

NOW it is soberly reported by business observers across the line that the NRA campaign and the agricultural assistance programme promise only slow improvement for the United States. Production is increasing, consumption lags.

Other new schemes to promote prosperity are in contemplation. But the president holds up his sleeve some of his most interesting aces, such as dollar devaluation.

We in Canada have the unique opportunity of observing the experiments in the great American laboratory of social and economic science. We will be wise to wait upon the results of each experiment before adopting any of them as part of our own national policy.

EDITORIAL NOTES

A well informed Washingtonian writes us: "Things are certainly humming here. We are going to see a Fall that will make you dizzy." Thank heaven for the capital "F."

• • •

Between May and July prices advanced more rapidly in Canada than in any other major country. But that was partially because prices had lagged before in this country. In the past year the index has moved up 6 per cent as against 12 per cent in the United States.

POST-scripts

WHEN a young man is selected from one of the universities of the Empire to go to Oxford as a Rhodes scholar one might expect that this would make of him a pronounced Imperialist. But does it really work that way?

People expect Rhodes scholars to be liberal in viewpoint; every good scholar is a liberal in the sense of being open-minded and free from narrow prejudice; every good scholar favors those general reforms that will tend to make life better. The true liberal (we are not now speaking of a political partisan) is as much the enemy of the dictatorship of the second-rate intellects as he of the dictatorship of the first-rate pocket books. A man may be a good liberal and believe in individualism and in private property. Likewise, he may be a good liberal and believe in his country and his Empire.

A few years ago a great Englishman, visiting Canada, remarked that a private investigation he had made among Rhodes scholars at Oxford showed him, much to his dismay, that the majority of them, far from being loyal British subjects and Imperialist in viewpoint, were unfriendly to the development of the Empire and ultra-radical in viewpoint. He blamed the teachings at Oxford.

The query is prompted by the presence of two Rhodes scholars among the six members of the C. C. F. brain trust. The evidence that Oxford is anti-Imperialist, anti-Individualist in teaching is not complete. There are many good Oxford men in Canada who would resent the imputation that Oxford had had that effect on them. But we would like to see the discussion further pursued. It is a matter of no small interest to Canada, which sends some of its brightest young men every year to England as Rhodes scholars.

Sayings of the Week

"Intolerance is essentially aggressive."—*Rt. Hon. L. S. Amery.*

* * *

"There is never a bad season for a good play."—*Daniel Frohman.*

* * *

"The C. C. F. is a funny article."—*F. W. Turnbull, M.P., Regina.*

* * *

"Economic nationalism has come to stay."—*Rt. Hon. L. S. Amery, M.P.*

* * *

"Religion has to do with the soul and political economy with the body." — *Dean Inge.*

* * *

"Poets have begun to think they are no longer wanted." — *Poet Laureate John Masefield.*

* * *

"Women like emotion, men like character, and the masses like movement." —*Daniel Frohman.*

* * *

"It's time to treat ourselves to some civilization."—*U. S. Secretary of Labor Florence Perkins.*

* * *

"The Empire is not a hollow drum to beat. It is a gigantic estate awaiting development."—*Lloyd George.*

* * *

"Advance in all that is noble and good comes not from without, but from within."—*Elihu Root.*

* * *

"I've been so busy living that I haven't had time to formulate a philosophy of life."—*Samuel Untermyer.*

* * *

"There are too many young specialists. They come out of school and suddenly they are specialists."—*Dr. William J. Mayo.*

* * *

"When people start laughing at a threatened catastrophe, the worst is over before it has begun to happen."—*Irvin S. Cobb.*

* * *

"Consumers must learn to defend themselves against too sudden and too high a rise in prices of the things they buy."—*Mrs. Franklin D. Roosevelt.*

* * *

"Unless commodity prices are raised you will have no N. R. A. How in the hell can you build a house without a foundation?"—*U. S. Senator Ellison D. Smith.*

* * *

"If there is any practice of capitalism which is indefensible it is the transmission of vast wealth from one generation to the next."—*Harry Elmer Barnes.*

* * *

"If we devote our time disparaging the products of our business rivals, we hurt business generally, reduce confidence, and increase discontent." — *Edward N. Hurley.*

* * *

"More and more people are discovering that if they go to live on a farm they will never starve to death, while they may if they remain in the city." —*President Roosevelt.*

* * *

"The greatest bores in the world are frequently found among the leading lights in our financial firmament." — *The anonymous authors of "The Mirrors of Wall Street.*

* * *

"Men no longer feel, as they did some months ago, that our society is doomed and that they are impotent, that they are caught in a current of forces which carries them irrestibly along."—*Walter Lippman.*

* * *

"Among changes now developing is that in the capital-labor relationship. We are actually taking steps toward making labor a fixed overhead and capital and profits the variable."—*Dr. H. S. Person.*

* * *

"Finance does not mean speculation —though speculation when it does not degenerate into mere gambling has a proper and legitimate place in the scheme of things economic."—*Otto H. Kahn.*

* * *

"The problem of human nature involves more than science. It is a matter of good homes, good schools, decent social conditions, effective churches. It is a matter of vigorous spiritual life." —*Rev. Dr. Harry Emerson Fosdick.*

* * *

"Prosperity recipe: If one man can do a piece of work in five days, how long would it take two men to do it? If one man can do a piece of work in five days, two men can do it in two times five days, or ten days."—*Franklin P. Adams.*

* * *

"Power is a necessity in the present state of society, and the power is a social agency, indeed a governmental agency, where hydro-electric power is involved. Though privately administered its administration is a public trust in the interest of the consuming public. This industry offers no fair field for stock jobbing, intercorporate trafficking or any other exploitation of the public. Every dollar honestly invested is entitled to a fair return and no more; every dollar paid by the consuming public is entitled to a full return in service and no less."—*F. R. McMurch, chairman, U. S. Federal Power Commission.*

Brain Trusts

Fort William Times-Journal

Brain Trusts

We believe that the Woodsworth party, which has christened itself the Co-operative Commonwealth Federation, is on the wrong track as regards the future development of Canada. Like most socialist organizations, it formulates protests without providing a panacea. The leader himself has the happy faculty of speaking amusingly and forcefully, but it will be noted that the portions of his addresses which bring down the applause from the gallery are those in which he abuses the capitalist, makes personal and uncomplimentary references to the heads of Canadian financial institutions, and is witty at the expense of the capitalist system.

This is all too bad, since he has attracted to himself what the Financial Post styles a brain trust, a coterie of intellectuals from whom something better might have been expected. These allies are largely drawn from the ranks of university professors and lecturers in economics.

This is rather a brilliant lot of fairly young men, all students of some branch of social science, and it is not fair to them that The Financial Post should ridicule them on account of their youth, or because none of them has ever operated a store or run a farm successfully. The really lamentable fact is that these clever young men have fallen in line behind a leader of the Woodsworth type and have been unable to steer the C.C.F. out of the rut into which the leader and some of his colleagues have run it.

It is not essential for the understanding of the elements of economics and finance to have been a grocer or a farmer, else the story of economic progress would have been vastly different. Adam Smith, who still ranks as one of the giants of economic science, never conducted a business; Henry Fawcett, the blind author of the Principles of Political Economy, was a professor at Cambridge; John Stuart Mill, who is still an authority to be quoted, was a civil servant, and in our own modern times, J. M. Keynes, who is outstanding in the field of economics and whose diagnosis and predictions have been almost completely verified after the event is also a professor at Cambridge. If these men had raised hens or sold sugar, they might have become experts along those lines, but the science of political economy would have suffered.

Cheap criticism such as is indulged in by The Financial Post carries little weight. No one will deny that the so-called C. C. F. brain trust comprises some very active and intelligent brains. What we regret in their case is that they have not allowed their intelligence to keep them from being made the instruments of a ruthless and radical cult, which aims at creating a social system patterned on the dictatorship of Moscow.

Instead of ridiculing men like Underhill, Forsey and the rest, those who see in the success of the C. C. F. the undermining of Canadian liberties, should counter attack with a brain trust of their own.

In the Mail

Election of U. S. Judges

Editor, The Financial Post,

Rackets, an interesting article in your issue of 19th inst., says, "the gun man's forays into Canada have been sporadic because he knows he is without organized protection, politically or judicially. Judges are not elected." With these statements there are no controversy but too often papers and persons give the impression that in the United States all judges are elected. This is not so. After the Sacco and Vanzetti trial I sat at a table with a public instructor and he complained of the miscarriage of justice in that case and suggested that it was because of the election of judges. I wrote Frank W. Buxton, editor, Boston Herald regarding the appointment of judges in Massachusetts. He replied, "You are quite right in relation to the appointment of judges in Massachusetts. The governor names all of them from the highest to the lowest and the governor's council confirms. The term is during good behavior and this is equivalent to life service." In some states judges are not appointed for life but for long terms. In others they are elected by the people. In Rhode Island, I think, the legislature selects them. I believe the practice in New York is for the people to elect some judges and for the mayor of New York city to name some.

The thirteen colonies based their constitutions on British law and while there were great differences among them I believe the election of judges is in states that have changed and in the new states organized since 1789.

HENRY H. FERNALD.

Welland,
August 21, 1933.

New Books

"Soviet Economic Policy in the East'

Where is Tana Tiwa? Or. Sin Kiang? Most Canadians never heard of either of these small countries in the centre of Asia but they are not too small to merit the attention of Violet Connolly in this volume. The author discusses the manner in which the Soviet Government trades with Turkey, Persia, Afghanistan, Mongolia and the two countries mentioned above. She justifies her extensive study of what would appear to be a subject of limited interest by pointing out that it has considerable importance as a propagandist experiment among certain Eastern peoples and that the economic value of this trade to the Soviet Union is steadily increasing.

"Soviet Economic Policy in the East" is the product of much painstaking research. It is published by Oxford University Press, Toronto, at $2.

"The Voice of Young America"

"Revolution is an indictment of the ruling classes of any generation in which it occurs." The men who are now between the ages of 18 and 45 are going to bear the brunt of any future calamities; they must provide what Lord Macaulay called "the only possible antidote to revolution" or "timely and drastic reform." So James R. Cromwell, 36-years old American business man gives in "The Voice of Young America" his idea of the reforms needed in the American State. No Socialist, no Planner, he seeks to find a better social structure within the framework of the American constitutional and social body. The Canadian reads Mr. Cromwell's volume more or less objectively; searching for guides to a rich and better life in Canada. The search does not go entirely unrewarded. But two disappointments meet the reader. First, in one small volume no less than 34 basic reforms are urged. One suspects that a few of them have not been thoroughly thought out. Second, the reforms are not studied against the background of world political and social influences. One reads Mr. Cromwell's extensive bibliography, finds it a broad and liberal list, but primarily American, in spite of Salter and Hurst. But where are the major leaders of world social and economic thought?

Most interesting to Canadians are the suggestions that bad government is at the core of American troubles; that worship of the Constitution has encompassed American ruin, that responsible parliamentary government on the British plan must be adopted. This is the first of 34 suggestions; and the most important in a volume that is courageously and confidently written by a young man who is the heir of great family and business traditions.

"The Voice of Young America is published by Charles Scribner's Sons, New York.

As Others See Us

"Couldn't Make Worse Mess"

Letter in the Montreal Herald:—I wonder if The Financial Post ever considers that the C. C. F. brain trust couldn't make a worse mess of running a store, factory, etc., than the present business heads who have built up a civilization based on acquisition and a sort of Arab philosophy of "Devil take the hindmost." A house built on the sands.

I think we can forgive Agnes for using her franking privileges. Most certainly she is striving toward a definite end to help the country. The old parties damn the Reds and belittle the intellectuals. Italy, Germany and Russia have had a national house-cleaning. The States are also. Canada is due next. The old party blind politicians with the old shibboleths and dogmas, belong to the Victorian era. A scientific age demands a social economic set-up which the individual cannot use for acquisitive purposes that may injure the many.

Paying in Dollars

Kingston Whig-Standard — During the last year or two, the exceptionally heavy burdens which have fallen on Canadians in meeting principal and interest payments on public and private obligations in the United States due to the discount on the Canadian dollar has raised a good deal of agitation over making future loans abroad payable only in Canadian currency. While the exchange situation has been such that this country gained on obligations payable in the pound sterling, the greater size of the obligations payable in the United States inclined to develop a feeling for the general adoption of the policy of having all loans payable in Canadian currency.

The loan recently floated in London, however, it is to be noted, does not conform to such a plan but is payable in sterling. Discussing this loan, The Financial Post points out that the difficulty in such a loan from the angle of the borrowers is that they don't know what they owe when they pay in foreign currencies. On the other hand, the investor in another country does not know how much the value of his investment will fluctuate with exchange rates. The problem to be faced then is as to which party to the transaction will assume the speculative risk of exchange fluctuations. If the Canadian dollar were specified as payment for bonds, it would cost Canada more to borrow money than when payment is specified in the currency of the country where the loan is floated. The Post thinks the former policy, however, would have the advantage of tending to keep the Government from borrowing and spending more than it can borrow at home.

There is a fair weight of argument on both sides. In the opinion of investment bankers borrowing abroad in Canadian dollars is impractical because foreign investors are not educated to the value of Canadian dollars. The Post thinks that the process of educating foreign investors to acceptance of Canadian dollars should be started. If they have knowledge and faith in the Canadian dollar they will buy our bonds payable in our currency of the country where the loan United States and Great Britain have established the policy of paying their debts in domestic currencies.

Getting Their Traffic Back

Whitby Gazette and Chronicle. — That the Canadian railways are achieving a fair measure of success in their fight to get back the freight business taken from them by the trucks is the opinion of The Financial Post as expressed in a recent article. The new flat rate, door-to-door service introduced by the railways into a portion of Western Ontario last March has been so successful that it has now been decided to extend this service, taking in a much larger territory. The Post goes further and says that according to reliable information the new service will be definitely extended to all parts of Ontario west of Toronto and extending as far north as Parry Sound and Scotia Junction.

The experiment of the railways consisted of offering to customers a door-to-door or pick-up-delivery service between 50 different points in Southern Ontario and a partial service between 200 additional points—all at a fixed tariff of so much per 100 lbs. inclusive. The service was to cover all less-than-carload lots of merchandise however packed. The revolutionary feature of the experiment was the fact that the service swept aside at one stroke the customary Canadian freight classifications and instituted instead a single flat rate charge, this being the first time in railway history on this continent that such an experiment had been attempted.

The Post quotes one railway executive as saying, "We have definitely won business back from the trucks," although it has been hard to make actual gains in Toronto where so many trucking companies converge.

If The Post is correct the turning of freight business back to the railways will mean more employment for skilled labor at wages a great deal higher than those paid to truck drivers, and this will be good for the country.

Other People's Views

Still Over-expending

Border Cities Star, Windsor.—Public men have no legitimate claim to fame for their financing and directing records, we say, as long as they permit Canada to be so much over-governed as we find it now. The fact is that we have hardly begun to cut our Government costs. We have lopped off something here and there, it is true, but the operations, to date, have been of a purely minor character. The major cutting is still to come.

Some Wheat History

New York Times.—The ending of the hard times of the Nineties and the Seventies was accompanied by a more or less spectacular rise in wheat, caused on both occasions by a great failure of foreign harvests. The event proved the recovery to be lasting; but the wheat market was none the less punctuated by exactly such overdone speculation and consequent reaction as this past month has witnessed. Declines of 20 or 30 cents occurred. Presumably these reactions even then inspired misgiving whether the recovery was real. There is no record of "price-pegging" and "inflation suggestions" as a preventive; but those were unsophisticated days.

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The Week in Business

Progress Without New Deal

LEGISLATION along the lines of the National Industrial Recovery Act has been widely proposed for Canada in the past few months and Chambers of Commerce throughout the country have organized committees to watch progress in the United States with this end in view. On the other hand, opponents of the "New Deal" in the United States are pointing to Canada as evidence that any progress that has been made under the many schemes of the Roosevelt Administration is merely natural recovery from the depths of depression.

Some of the facts of Canada's natural progress are drawn to the attention of the American public by Time, one of the foremost newsmagazines in the United States. Time states as follows:

"With no New Deal to titillate prices, only intra-Empire tariff preferences to promote business, Canada, since last February, has staged an economic comeback almost equal to that of the United States. Her bank clearings are 27 per cent ahead of last year, her carloadings up 7 per cent, her wholesale price index stands at 70.5 as compared to 66.6 a year ago and 63.6 in February. Drought has put her wheat up to 80 cents (from a low of 50 cents). Her busy gold mines are working virtually 100 per cent of capacity, making big profits with gold selling at a handsome premium. Electric power production is up 14 per cent. Her big paper industry has started into renewed activity that parallels the rise of steel in the United States. Her shoe and textile industries are booming. Exports for May, June and July were $143,000,000 compared with $124,000,000 a year ago.

"Those United States objectors who argue that the New Deal should get no credit, that recovery in the United States started of its own accord, point to Canada with some reason."

* * *

Manufacturing Activity

ALTHOUGH The Financial Post index of business in the Prairie Provinces shows an excellent gain in July over the previous month, it must be remembered that many areas, particularly in the southern sections of these three provinces have suffered severely from almost complete loss of crop through drought and heat. In some sections, of course, business is much better than last year, around Regina and Edmonton being two important examples of this latter condition. As a general rule, however, business has brightened more in the Eastern industrial areas and in British Columbia than in the Prairies.

Trade reports from various centres of the Dominion continue to record higher levels of production. The current weekly trade report of Dun & Bradstreet, Inc., for instance, states as follows:

"General manufacturing activities have reached the highest level in three years, with many factories now unable to meet their shipping dates. Automobile production is averaging larger than a year ago, and sales of low-priced units are well in excess of the *1932 comparative total*; as credit is being extended more carefully, repossessions are fewer and current paper is well collected. Textile, woollen, and knitting mills are busier and a number of plants are operating at capacity. Men's clothing manufacturers are experiencing a brisk demand and some plants which have been practically closed for months are working full time. Shoe manufacturers are enjoying the busiest season in two years and tanners are afforded an opportunity to realize a reasonable profit.

"Furniture factories report increased orders at advanced prices. Breweries are engaged actively on export orders. Paper mills have stepped up production to meet increased demand from the United States. Both export and domestic lumber markets display strength and prices have risen substantially. Orders from the United Kingdom have been heavy, but there is some apprehension regarding this market, owing to the withdrawal of the embargo on Russian timber. In many cases mills and logging camps are working two shifts. Shingles continue in good demand in some districts. Iron and steel mills are operating at a slightly higher rate, but thus far have been unable to catch up with the accelerated activity of some of the other industries."

* * *

Carloadings at New High

A NEW high point for the year has been reached by the seasonally adjusted index number of carloadings in the week ended August 19, heavy loadings of all commodities contributing to carry the total cars loaded during the week to 43,181, or 4,537 cars greater than in the previous week and 3,529 cars greater than the corresponding week a year ago. These heavier carloadings reflect greater industrial activity in many lines of business.

As yet, however, the consumer does not appear to have recovered much of his lost purchasing power as less-than-carload lots of merchandise and miscellaneous freight—which may be assumed to be chiefly consumer goods—are both lower than in the corresponding week a year ago.

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Business Conditions in Canada

BASIC INDUSTRIES SEEN AS LEADING RECOVERY MARCH

The Financial Post Final Index Gains Almost 6 Points

The Financial Post index of the volume of business in Canada during July was 84.3 in its final form compared with 78.6 in the preceding month. The preliminary index for July published last week was 84.6 so that the receipt of final information made only slight change in the original compilation.

While coal production was nearly maintained after seasonal adjustment and exports of nickel were at a very high level, the nine indicators of the trend of mineral production were mostly reactionary.

Flour production made a better showing after seasonal adjustment and slaughterings of cattle and hogs were heavier but the index of foodstuffs production was not at so high a level as in June. Cigar releases were greater in July, while raw leaf and cigarettes recorded adjusted declines. The gain in the imports of raw cotton was a feature of the month, the gain in the index of raw textile imports indicating increased activity for the industry.

Primary Industries Gain

Newsprint production and exports of lumber, pulp and shingles point to a reawakening of the paper and lumber industry. The primary iron and steel industry as measured by the output of pig iron and steel ingots was also infused with new life. The motor car industry operated at a relatively low level despite the gain over the preceding month. Imports of crude rubber declined, while a gain was shown in petroleum imports after seasonal adjustment.

The sharp gain in construction contract awards contrasted with the decline in building permits. The power industry was favored with operations at a higher level, the average daily output being 46,537,000 kw.h. compared with 45,697,000.

The decline in carloadings was greater than normal for the season and trade employment showed minor recession. The gain in external trade was a feature, exports reaching the considerable amount of $51,866,000. Grain and stock speculation accounted in part for the spectacular gain in bank debits, the total in July being $3,528,000,000. Industrial employment which had shown betterment in June, made a further addition to the improvement in the month under review.

Commodity Prices

	Week ending Aug. 26	Previous week	Same week last yr.
Cattle (cwt.)§	$5.00	$5.10	$6.50
Copper, lb.	.09	.09	.05⅝
Cotton, lb.	.0960	.0935	.0920
Rubber, lb.	.0735	.0707	.0393
Sugar, raw, lb.	.0856	.0344	.0318
Silk, lb.	1.92½	1.92½	1.90
Wheat (Man.) bu.°	.69⅞	.77	.56⅜
Hides, lb.	.14	.15	.07
Coffee, lb.	.07½	.07¼	.08¾

Weekly Indices

N. Y. Annalist‡	102.7	102.5	94.2
Fishers'	♦76.9	73.3	†62.0
N. Y. Journal of Comm.■	69.9	69.2	59.8
Crumps (Brit.)*	64.1	64.2	†62.4
U. S. Labor▲	69.3	69.4	65.4

†Average, 1932.
‡Week to Aug. 22.
*Week to Aug. 19.
▲Aug. 19.
♦Aug. 26.
§Aug. 24.
°Aug. 29.
■Aug. 26.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (July)	70.5	67.6	66.5
Retail (July)	77.8	77.6	80.8
U. S. Labor (July)	68.9	65.0	64.5
Gt. Brit. (June)	68.6	66.9	66.2

‡Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price. Toronto; copper—electrolytic, New York; silk — Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Business Gains General In Five Economic Areas

Ontario and Prairies Advance 7.5 Per Cent in July, The Financial Post Business Index Reveals—Other Areas Record Slightly Smaller Gains

By SYDNEY B. SMITH

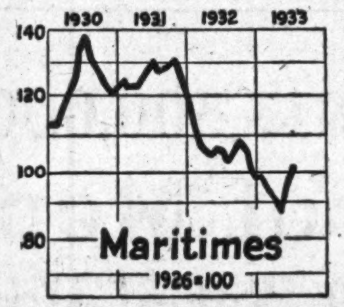
The general character of the economic betterment in Canada was again demonstrated in July, when gains were recorded in the business indexes of each of the five economic areas. The return of confidence being of a psychological nature is readily communicated to all parts of the Dominion. In a profit economy, the term "business confidence" means little more than the conviction that business may again be transacted or production resumed on a profitable basis. The considerable rise in wholesale prices and the betterment of conditions in the principal commercial and industrial countries forms a background for the altered attitude behind the executive action reflected in the general advance of the economic area business indexes.

From a regional standpoint the sharp gain in construction contracts had special significance, marked gains being shown in each of the economic areas. A strong contrast was presented by building permits which showed declines all along the line. The expansion in construction evidently is taking place outside of the cities, residential building being still in the doldrums. Electric power production showed substantial gain in each of the areas except British Columbia. Employment was another factor reflecting economic betterment, gains being recorded in each of the economic areas even after seasonal adjustment.

Less Buying Resistance

The gains in bank debits, denoting all cheques cashed at the branches of the chartered banks located in the 32 clearing centres, were general in the five areas except in the Maritimes, the increase in the Prairie provinces being nothing less than extraordinary.

MARITIMES.—Nine factors are used for the determination of business in the Maritime provinces, and six of these showed gains in July. Contract awards at $1,761,000 showed an adjusted gain of large proportions.



Building permits on the other hand recorded a decline. The gain in electric power output after seasonal and long-term trend adjustments was limited to two per cent. The seasonally adjusted index of employment showed a gain of 3.6 per cent.

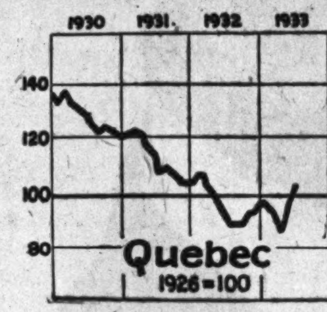
Bank debits being unaffected to any great extent by speculative activity showed a moderate decline. Sales of life insurance at $1,808,000 were up 12.6 per cent after seasonal adjustment.

Exports of Canadian produce through Maritime ports at $3,651,000 compared with $3,484,000 in June showed an adjusted gain of 4.6 per cent. Imports were down at $1,784,000 compared with $2,078,000. Tonnage of vessels cleared from Halifax and Saint John was 576,042 compared with 417,106, a gain of 22.6 per cent.

The business index for the Maritimes was 102.0 compared with 96.3, a gain of about 6 per cent.

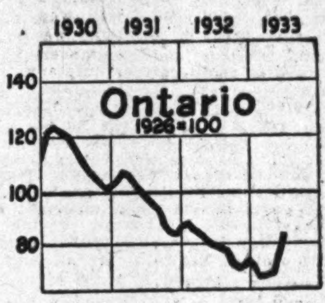
QUEBEC.—The business index for the Province of Quebec was 103.8 in July, constituting the third consecutive gain, the recovery since April being no less than 13 per cent. Contract awards were $3,288,000 compared with $2,458,000 in June, the gain being contrary to seasonal tendencies. Building permits made a poor showing, amounting to only $753,000. The adjusted output of electric power was up 4.5 per cent, total production being 818,059,000 kw.h. compared with 774,039,000. Consumption in Quebec was 611,800,000 kw.h. compared with 579,300,000. The gain in employment on August 1 after adjustment for seasonal tendencies was moderate.

The increase in bank debits was about 10 per cent, the total in July being $916,000,000. Sales of life insurance showed decline, the index being 82.5 compared with 84.2. Factors indicating activity in three important industries showed general gains. The output of boots and shoes reached a high level in July, the adjusted gain over the preceding month being 13.9 per cent. Imports of raw cotton after seasonal adjustment showed a gain of 26.5 per cent, the total in July being 9,790,000 pounds compared with 7,440,000. The production of newsprint showed a gain of about 4 per cent, the output being at a new high point.



The business index for Quebec was 103.8 in July compared with 97.4 in the preceding month, a gain of 6.6 per cent.

ONTARIO.—Seven of the nine factors used in the compilation of the index for Ontario showed adjusted gains in July. The recovery in the business index from March, the low point of the present year, has been nearly 15 per cent. The cumulative advance being from 73.0 to 83.8.



Contract awards were $6,495,000 compared with $2,458,000, the adjusted gain being 93 per cent. Building permits declined to $875,000. Electric output showed an adjusted gain of 8.4 per cent, total production being 374,262,000 kw.h. compared with 349,180,000. Consumption was 462,700,000 kw.h. compared with 457,800,000. Employment showed a gain of about 2 per cent during the month, the seasonal factor being eliminated.

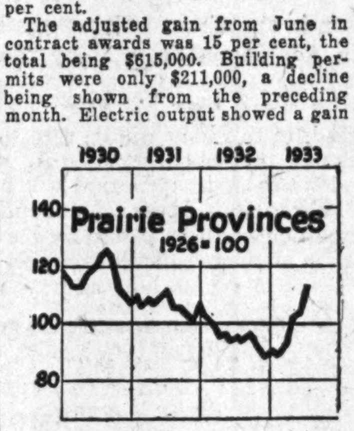
The gain in bank debits was no less than 17.5 per cent, cheque transaction in Toronto showing a marked increase. Sales of life insurance were up 5.5 per cent, after seasonal adjustment, the total in July being $12,961,000.

Activity in the meat-packing industry was nearly maintained while the primary iron and steel industry showed considerable resumption of operations. Blast furnaces are now in operation in Hamilton and Port Colborne and the output of steel and pig iron showed marked gain. The decline in automobile production was less than normal for the season.

The index for Ontario was 83.8 compared with 77.9 in June, a gain of 7.5 per cent.

PRAIRIE PROVINCES.—Statistical factors indicated considerable betterment in the economic conditions of the Prairie Provinces. Owing to drought and insect damage, the crop situation in the three provinces is very uneven and a subnormal crop is forecast. A low point of the business index was reached in February and since that time the gain has been 24 per cent.

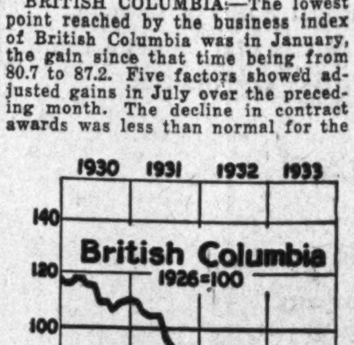
The adjusted gain from June in contract awards was 15 per cent, the total being $615,000. Building permits were only $211,000, a decline being shown from the preceding month. Electric output showed a gain of 3 per cent, the total water power production being 81,191,000 kw.h. Employment in industrial occupations showed an adjusted gain of 5 per cent. Owing mainly to heavy transactions in Winnipeg presumably in connection with grain speculation bank debits were $999,000,000 compared with $552,000,000 in June, an adjusted gain of 61 per cent. Sales of life insurance were up 15 per cent.



Wheat receipts at country elevators and platform loadings, while less than in June were at the high level of 10,524,000 bushels. The index of wheat prices after seasonal adjustment was 52.7 compared with 43.5 in June, a gain of 21 per cent.

The net result was a gain of 7.5 per cent in the business index, the standing being 111.5 compared with 103.7 in June.

BRITISH COLUMBIA.—The lowest point reached by the business index of British Columbia was in January, the gain since that time being from 80.7 to 87.2. Five factors showed adjusted gains in July over the preceding month. The decline in contract awards was less than normal for the season, the total in July being $493,000. Building permits showed a decline of considerable proportions. Output of electric power was practically maintained, consumption being 92,100,000 kw.h. compared with 90,100,000. Industrial employment after seasonal adjustment showed a gain of 4.2 per cent during the month. Sales of life insurance recorded a gain of 3.5 per cent. Exports through British Columbia ports showed moderate decline, while the gain in imports was 9.5 per cent.



The index for British Columbia was 87.2 compared with 83.6, a gain of 4.3 per cent.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	1932	Cumulative Jan. 1 to date 1933	1932
Transportation—				
Car loadings (Aug. 19)	43,181	39,652	1,176,897	1,340,998
C. P. R. gross earn. (Aug. 21)	$ 2,171,000	$ 2,331,000	$ 65,441,000	$ 71,930,000
C. N. R. gross earn. (Aug. 21)	$ 2,923,648	$ 2,743,041	$ 84,899,720	$ 95,142,793
	Monthly			
C. P. R. net earn. (July)	$ 1,368,380	$ 859,708	$ 6,229,521	$ 6,111,587
C. N. R. net earn. (July)	$ 820,466	$ 208,708	$ ‡2,158,515	$ 829,076
Iron and Steel—				
Pig iron, tons (July)	31,689	7,317	67,899	84,518
Steel, tons (July)	49,076	27,506	179,540	207,994
Automobiles prod., No. (July)	6,540	7,472	44,802	47,141
Auto Vehicles—				
Passenger. sales, No. (July)	5,322	3,473	38,181	40,238
Trucks & buses, sales, No. (July)	1,218	544	6,621	6,908
Auto exports, No. (July)	1,790	1,540	10,504	4,659
Construction—				
Building permits (July)	$ 2,082,302	$ 4,412,169	$ 12,189,591	$ 28,753,213
Contracts (July)	$ 12,651,600	$ 12,540,100	$ 45,563,900	$ 87,301,300
Newsprint—				
Production, tons (June)	171,419	161,368	894,181	1,004,248
Exports, tons, (June)	152,151	155,895	807,287	933,446
Sugar—				
Imports, raw, lbs. (July)	53,271,100	95,841,700	308,021,000	420,967,800
Melt. & ship., lbs.*	95,927,975	107,288,072	432,449,942	487,046,541
Manufactured, lbs.*	88,089,347	101,700,245	425,380,281	468,083,842
Flour—				
Production, bbls. (May)	1,334,101	1,040,693	5,056,380	4,781,163
Wheat flour exp., bbls. (June)	544,507	570,861	2,564,662	2,372,216
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (June)	94.70	110.68	342.48	407.98
Boots and shoes, pr (June)	1,965,647	1,559,192	8,823,892	9,129,585
Petroleum, imp. crude. gal. (June)	121,120,617	113,948,377	263,266,395	450,977,992
Cotton, imp., raw, lbs. (June)	7,440,000	4,486,000	40,766,000	50,103,000
Rubber, raw, imp. lbs. (June)	3,228,000	6,349,000	16,078,876	26,671,659
Coal, imports, tons, (June)	1,122,067	958,742	3,930,494	4,390,878
Gasoline sales, gals. (May)	42,190,000	47,307,000	149,766,000	161,805,000
Trade—				
Imports (July)	$ 35,738,380	$ 35,710,571	$ 203,574,494	$ 277,758,082
Exports (July)	$ 51,345,011	$ 42,318,084	$ 257,438,948	$ 265,121,495
Wheat exports, bus., (June)	16,998,672	15,857,427	83,368,577	68,205,072
Labor—				
Employment Index (June)	80.7	89.1	......	......
Electric Power—Output—				
M. Kilowatt hours (June)	1,370,913	1,200,098	8,082,053	7,947,948
Finance—				
Failures, No. (May)	175	204	981	1,061
Failures, Liabilities (May)	$ 2,616,800	$ 3,148,067	$ 17,027,069	$ 17,427,169
Bank debits† (June)	$ 2,982,418	$ 2,202,785	$ 13,195,272	$ 12,536,993
Bond sales (July)	$ 27,418,533	$ 27,317,717	$ 156,243,950	$ 188,982,838
Insurance sales (July)	$ 30,255,000	$ 34,469,000	$ 208,373,000	$ 253,002,000
Automobile Financing—				
Used cars (June)	$ 1,155,520	$ 1,702,404	$ 5,831,581	$ 7,456,959
New cars (June)	$ 1,242,108	$ 1,768,206	$ 5,679,711	$ 7,799,927

*Four weeks period, July 22 to Aug. 12. †(000's omitted). ‡Deficit.

CANADIAN MILLS ADOPT NRA PLAN TO RETAIN MARKET

B. C. Shingle Exporters Hope to Avoid Boycott by Move

From Our Own Correspondent

VANCOUVER. — Anticipating the enforcement of the National Industrial Recovery Act in the United States, at least one-third of the shingle mills operating in British Columbia have voluntarily adopted the code with a view to holding the United States market.

Ten shingle mills have adopted the six-hour day and have increased wages from 32½ cents an hour to 42½ cents. Whether by taking this action they will necessarily qualify for recognition under the NRA code remains to be seen. Naturally, being foreign mills, they will not be officially regarded as Blue Eagle concerns; but all the mills in British Columbia wish to avoid the threatened boycott against all concerns not adopting the labor provisions of NRA. By voluntarily accepting the principles of this legislation, the mills hope to retain the business that has been coming to them from the United States.

Sawmills Unaffected

Sawmills are in a somewhat different position inasmuch as there is a heavy duty on their product entering the United States Shingles enter the United States from Canada duty free, so that the British Columbia mills are economically in somewhat the same situation as mills in Washington and Oregon, except for shipping charges. The lumber mills, however, encounter a $4 a thousand feet tariff on their product entering the United States and consequently are already severely discriminated against. When Canadian exchange was low they were able to pick up considerable business on the Atlantic Coast and elsewhere, despite the high tariff, but lately trade has been slack and the effects of the National Industrial Recovery Act on the British Columbia lumber industry are uncertain.

Meanwhile, a lumber code has been adopted in the United States and more than 40,000 lumber workers in the Northwest forests and sawmills are affected. There is a chance that operation of the new code will so increase cost of production in the Northwest States that British Columbia will be able to secure an increased share of foreign business.

Cheese Exports to Britain Considerably Down from '32

July exports of cheese were 107,601 cwt. valued at $1,226,659 compared with 40,984 at $440,212 in June and 159,937 at $1,591,014 in July, 1932.

Cheese exports during the past 12 months show a considerable decrease, the quantity being 796,682 cwt. valued at $8,352,055 as against 905,475 at $10,668,997 in the previous 12 months.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Canadian Industries, Ltd., announces that work has been started on the extension of the C-I-L Cellophane factory at Shawinigan Falls. An addition is being made to the "moisture-proofing building" and some new machinery is being installed.

M. J. O'Brien, Ltd., of Renfrew, Ont., has purchased the Carleton Place mill of Carleton Mills, Ltd., woollen manufacturers and will start at once to operate the carding and spinning departments. Working at full capacity the mill will employ about 300 persons.

Perth Shoe Co., Perth, Ont., announces the commencement of work on a two-story annex to the factory to be erected at a cost of $9,000.

Grouts, Ltd., of St. Catharines, Ont., has purchased the Valleyfield, P.Q., factory formerly operated by the Brupbacher Silk Mills Ltd., manufacturers of rayon fabrics. Operation will start immediately, it is reported.

Renfrew Machinery Co., Ltd., recently reopened its Renfrew plant. The company makes stoves, cream separators and washers. About 75 families are affected.

Business Briefs

Car loadings during the week ended August 19 totalled 43,181 cars, an increase over last year's loadings of 3,529 cars and 4,537 cars greater than in the previous week. The adjusted index number reached a new high for the year of 71.48.

Sugar manufactured in the four weeks' period ended August 12 totalled 88,089,347 pounds compared with 101,700,245 pounds in the same period of 1932.

Wheat exports in the week ended August 17 amounted to 2,808,644 bushels as compared with 2,413,353 bushels in the corresponding week a year ago.

Failures under the Bankruptcy Act in the week ended August 19 numbered 17 as compared with 30 in the corresponding week a year ago. For the year to date, failures have numbered 1,059 as compared with 1,344 in 1932, a decrease of 21 per cent.

Timber Scaled in B. C.

Timber scaled for the first six months of 1933 in British Columbia amounted to 607,460,973 ft. b.m. compared with 804,379,064 ft. b.m. in the same period of 1932.

Say Canada Best Market for British Woollen Goods

That Canada is the best market in the Empire for British manufacturers producing wool tops, wool yarns and wool cloth, is revealed in the Trade and Navigation Accounts of Great Britain for the first six months of 1933, according to a bulletin issued by the Canadian Woollen & Knit Goods Manufacturers' Association.

Export figures for these goods from the United Kingdom in pounds sterling are given as follows:

	£
Canada	906,690
British S. Africa	468,701
Irish Free State	362,565
New Zealand	194,483
British India	137,955
Australia	83,697

Canada's purchases from Great Britain in this six months period were:

	lbs.
Wool Tops	3,361,400
Yarns	1,353,100
	sq. yds.
Cloth	4,019,800

Former Dodge Head Directs Austin Auto Plans in Canada

E. P. Clarkson, for 15 years managing director of Dodge Brothers in Canada, is supervising the establishment throughout Canada of a chain of sales and service agencies for the Austin Motor Car Co. of England. Mr. Clarkson retired from Dodge Brothers when that company was taken over by Chrysler Corp. in 1929.

Several months ago, The Financial Post carried an exclusive interview with the foreign representative of the Austin Co. in which the proposed sales agencies were explained. Since that time, the full range of Austin models, ranging from the baby seven to the large six-cylinder cars have been introduced to the Canadian motoring public. A feature of the displays which have been shown in the large Eastern cities has been the range of commercial models.

Woods Operations in N. S. Expected in Coming Winter

Prospects that considerable lumbering activity in the woods of Nova Scotia will be necessary this winter are being greatly enhanced by continuance of heavy shipments of available supplies, according to a report from that province.

Export demand has been brisk for the past two or three months and if present activity continues all supplies will have been shipped out by fall, it is stated.

B. C. Government Revenues

British Columbia Government revenues are increasing over 1932 for the first three months of the current fiscal year. An increase of $60,000 is reported from fish cannery licenses, motor licenses and income taxes.

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THE HUDSON-BUILT ESSEX
TERRAPLANE

TERRAPLANE 8
OUT-PERFORMS

ABOVE—Flashing around a sharp turn in the Kimberly Mountains, Chet Miller at the wheel of the stock Essex Terraplane Six which established the first official Canadian hill-climbing records.

INSET—The Canadian-built Essex Terraplane with Chet Miller, driver, Ken. Macnair, C.A.A., observer, Edward Schipper, automotive authority, and A. A. Walker, president, Hudson Essex York Ltd., Toronto distributors.

Establishes 10 New Records on Quebec and Ontario Hills

● Once again the Essex Terraplane proves its claims to leadership in performance, ruggedness and endurance. This time in Canada, under supervision of the Canadian Automobile Association, a stock model Essex Terraplane Six, built at Tilbury, Ont., establishes 10 new hill-climbing records on Quebec and Ontario hills ● These records are important to the car buyer in that the car which will stand up under the gruelling tests and severe strain imposed upon the Terraplane in establishing these records has to be soundly engineered and ruggedly built of the best quality materials. The fact that the Terraplane, which made these records, is built the same as the car you may buy from any Hudson-Essex dealer is assurance that every Essex Terraplane is soundly engineered and ruggedly built of enduring materials ● *Before you buy any car drive a Hudson-built Essex Terraplane and learn the new joy in motoring.*

Hudson-Essex of Canada, Limited
Tilbury, Ontario

Performance that's!
TERRAPLANING

Chet Miller, driving a stock model Canadian-built Essex Terraplane Six, established the following and other hill-climbing records in Ontario under Canadian Automobile Association supervision:

●

August 9th, Lake-on-the-Mountain, Ontario — Miller climbs Glenora hill, with a rise of 200 feet in a 900-foot stretch, in 31.8 seconds. A second time he climbed the hill from a standing start with the gear lever locked in high gear. According to local authorities, the feat had never before been accomplished.

●

August 10th, Toronto—Leaside Ravine—From the bottom of the Leaside Ravine Miller drove the Terraplane the one-fifth of a mile climb up a 16% grade, with its three sharp turns, in 20.9 seconds. . . On the Bayview hill, with the car sealed in high gear, Miller started on the bridge and drove over the top at a speedometer speed of 35 miles per hour.

●

August 11th, Bowles Hill (near Eugenia Falls, Ont.)—Miller climbed this 1.07-mile hill from a flying start in 1 minute and 48 seconds. The grade is 15% with three sharp elbow turns, the road rough gravel.

●

August 11th, Kimberly Mountain, Ont. (west slope)—On a stretch nine-tenths of a mile long with an average grade of 17% rising to a sharp elbow turn with a 22% grade, Miller drove the Terraplane in high gear from a dead stop at Beaver River Bridge to the summit in 1 minute, 59⅘ seconds.

●

August 11th, Kimberly Mountain, Ont. (east slope)—Most difficult of all the climbs, with clay, gravel and rock outcroppings, with a rise of 650 feet in a 1.15-mile stretch with three sharp elbow turns, Miller drives the Terraplane from a dead start in high gear to the summit in 2 minutes, 30 seconds flat.

See the Terraplane that established these climbs, at the Hudson-Essex display in the Motor Building at the C. N. E. . . . Visit any one of the Famous Player Theatres in Toronto and learn how you may win this car.

T-70

National Grocers Merger Successful Because Owners are Also Managers

Men Who Merged Their Family Names Now Sole Owners—Archie Foster Is Dominant Personality

By B. T. HUSTON,
Editor, Canadian Grocer

When Archie Foster, president of National Grocers Company Limited, issued to shareholders recently a financial statement showing increased earnings over the previous year a good many investors scratched their heads and wondered how it could be done. True, the increase was small, but it was on top of one in the previous year. Mr. Foster is head of National Grocers Co., a merger of 25 individual houses in 1925, since grown to 28. Archie Foster was the first president and although the business has been under the supervision of three other men in the meantime, he has been the head since September of 1930.

Saving a Business

The story of National Grocers is one of the most fascinating business romances in Canada. Twenty years ago the wholesale grocery business was one of the most profitable lines of trade in Canada. Large family fortunes had been built out of the business. Old-established firms keenly competed for trade. Then ten years ago the business seemed doomed to extinction. But there was life in some of the old dogs yet. How they displayed that liveliness is the story of National Grocers. And it is the story of Archie Foster.

Born in Pembroke, Ont., where he worked for some years with his father in the shoe and leather business, Foster drifted, almost accidentally, to the north country early in the present century. It was there that he became actively connected with the grocery business. Like the other men associated with him in the National, he was brought up in it and it is more than likely this is largely responsible for the showing of the company during the past few years of business distress.

Opens Wholesale House

In 1901 Mr. Foster, then living in Pembroke, together with the late R. W. Gordon also of Pembroke decided it might be a profitable venture to locate a supply house in the north country to take care of the food requirements of the lumber jobbers. A warehouse was located in Haileybury in that year and the business was conducted under the name of R. W. Gordon Co. Mr. Gordon was then associated with the Booth lumber interests. Mr. Foster had his interests in shoes and leather. Neither of them wanted to look after the warehouse. They selected a young man by the name of A. J. Young as manager.

North Bay was the end of steel and there was at first no railway into Haileybury which had to be reached in a roundabout way by boat via Mattawa. But shortly after the business got under way an extension of the railroad farther north was undertaken. Largely because of this the company decided to locate a wholesale grocery warehouse in North Bay. That was in 1904. A new company was incorporated under the name of the A. J. Young Co. Mr. Young, who had developed the business out of Haileybury, was thus honored.

Becomes Grocer

It was largely as the result of the desire to take a holiday in that territory that Mr. Foster worked himself into the grocery business. He journeyed up to see the northland and for a great many years following lived more or less in the north with North Bay as his headquarters. He was made assistant general manager of the business in 1905 and the following year became general manager. In 1908 he opened a branch at Sudbury and in 1914 a branch at the Sault. The business was developing rapidly with the operation of the various warehouses under the one head, and in 1918 the name of the company was changed to National Grocers Ltd., not, let us make clear, the present National Grocers. Mining operations in Northern Ontario were in full swing and the chain of warehouses was doing a greatly extended business.

Comes to Toronto

About 1920, Mr. Foster who was still vice-president and general manager, opened an office in the Bank of Hamilton, Toronto, so that he might be in better position to keep closely in touch with general conditions and markets and he was still there when his annus magnus, 1925, dawned. That year the big venture known as the National Grocers Company Limited came into being. Mr. Foster's company by that time had six well-established branches—North Bay, Sudbury, Sault Ste. Marie, Timmins, Cochrane and Pembroke.

The chances are his old company, National Grocers Ltd. would still be doing business in the North had not the chain store hove into sight in a big way. Starting out aggressively in 1919, its legs gradually grew longer, and it made substantial strides across the grocery panorama. Volume grew apace and when their credit became established the chains were able to buy practically everything direct from the manufacturer. Many of the small inefficient retailers dropped out of the picture, and wholesale grocery volume began to decline.

Merger is Urged

There came the memorable 1924 convention of the Canadian Wholesale Grocers' Association at Bigwin Inn. It was the last convention that organization ever held. It marked the beginning of a new era in Canadian wholesaling of groceries. A proposal was presented by one of the members, A. H. Simpson, of Guelph, for the amalgamation of wholesale grocers to combat the inroads of the chains. The plan was to organize a holding company with a central office, consisting of 80 or 90 per cent of all the jobbers, so as to pool purchases from certain manufacturers and in return for giving them all the business, insist on their cutting out direct trading with the chains, department stores and buying groups, the last mentioned of which were at that time beginning to sprout their eye teeth. The scheme was endorsed by many but was considered premature and radical by others. Manufacturers began asking what would become of their business if in a year or two the holding company decided for one reason or another to discontinue buying from them. Nothing definite developed at the convention but the following year the leaven set at the Bigwin Inn conference began to rise.

Getting Costs Down

Conditions for wholesalers did not get any better and a number of firms began to liquidate. Some failed. The wise executives knew that no matter how the chains progressed by doing business on a limited service basis, there would still be room for a certain number of independent grocers and that the number would depend on how well the jobber could be fitted into the picture. It seemed a foregone conclusion that wholesale grocery operating costs must be reduced. At that time it was generally considered the wholesaler could not operate under 10½ to 12 per cent gross. There were extensive credits and travelling expenses for salesmen to be considered. But to meet the new competition expenses had to be reduced. Today 10½ per cent looks high when we see jobbers operating on a basis of from 3 to 6 per cent gross and, as with National, still making a profit.

Early in 1925 another effort was made at amalgamation. This time Marland Woolnough, in the wholesale grocery business in Niagara Falls—formerly in the jewellery trade—sponsored the movement. By dint of aggressive work he secured options on the businesses of a score or more wholesalers in Ontario. National Grocers Company Limited appeared on the scene in August of that year. Because of the fact that Mr. Foster's concern in Northern Ontario was the largest unit entering the merger he was requested to head the new company and this he consented to do. The name of his company was slightly changed to become the name of the new company.

Financing is Arranged

The financial arrangements are more or less familiar to investors. Most of the money was secured from the Continental banking interests in Chicago, who received a large block of common stock. Gold notes were issued, first and second preference shares and common stock. The first preferred shares were sold in Canada. The owners of the respective Ontario concerns for the most part took payments for their warehouses and business in second preference and common stock. The work of inventorying the merchandise in the various warehouses was assigned to the W. W. Thompson Company of Chicago. In part payment the Thompson Company received a considerable block of common stock which eventually figured largely in the destiny of the National Grocers Company.

The new concern, in addition to meeting the chain competition, had to face the rapid development of the group buying system. At the time the company was organized two or three of the individual companies entering were already sponsoring groups of stores and the National automatically took these over. Later John Sloan & Company, wholesale grocers servicing Red & White Stores in the East, were absorbed and this placed the National in the voluntary chain business in a still bigger way. The first few years of the merger were difficult ones inasmuch as the varied activities had to be put through the consolidation stage and the wrinkles ironed out.

Merge Famous Names

Many famous names in the wholesale grocery business disappeared into this one large business. Such firms as H. P. Eckardt & Co., Eby-Blain, T. Kinnear & Co., Medland Brothers, A. J. Major, W. H. Gillard & Co., Edward Adams & Co., and others that had been doing business for as much as 25 to 90 years simply disappeared overnight to make one huge company possible. The constituent companies had done perhaps 70 per cent of the grocery business in Ontario. Their sales were 25,000,000 annually.

Great were the problems. Not only had a merger to be accomplished, but a complete new formula for grocery jobbing had to be found. It was well that the company had such men as Archie Foster, John Medland, Marland Woolnough and Thomas H. Kinnear at the helm.

Then rumors came of internal dissensions. The end of December 1927 saw a number of changes in the personnel of the company. The report was that a reduction of overhead was imperative. A number of the executives resigned. Mr. Foster took over the position of chairman of the board of directors, succeeding Mr. Woolnough and he in turn was succeeded in the president's chair by John Medland. These were more or less stormy days for the company. Policies were, in good part at least, dictated from Chicago. In September, 1929, there was another important change. T. H. Kinnear was made the active head, taking the position of vice-president and general manager.

"I Am The President"

Then early in June of the following year another Chicago appointee stepped into the arena in the person of J. R. Peters. This mysterious person suddenly one day walked into a board meeting with his credentials and announced that he was the new president. A couple of months later it became an open secret that Mr. Peters and his Chicago associates were angling for complete control of National Grocers Company Limited. Overtures were made to common stock holders in both Ontario and Chicago. Canadian executives themselves were even approached. The Canadians were alarmed. A scramble took place between the Peters' interests on the one hand and the Canadians on the other to get control of the common stock. It was well known that the Thompson Company of Chicago held a considerable block. A special trip was made there by Marland Woolnough to see if it could be swung over. Eventually Mr. Woolnough was successful in securing it. The holders in Ontario were urged to pool their shares with the Canadian interests. By August of 1930 the Canadians had things well in control. Mr. Peters was asked to resign the presidency. He complied, knowing when he was licked. A reorganization took place. Archie Foster was again selected as the active head. Mr. Peters had been on the job less than three months.

Pay Off Securities

From that time on control has been centred in Ontario but for a while a representative of the Continental banking interests in Chicago was kept on the board, since the gold notes that represented the first charge against the concern were held by them. Each year for several years a large block of these notes was redeemed and purchased leaving a balance of $1,086,500 at June 30, 1932. Shortly after that date funds were arranged in Canada through the banks and the gold note issue was entirely redeemed. Since then practically every dollar of security has been held in Canada. In 1931 the first preference stocks were redeemed in full. The second preference share issue, amounting to $3,500,000, has become the first preference stock of the company. Latterly, those who took this second preference stock for their businesses have seen this preference stock rise from $30 in 1920 to more than $80 per share, even though only two of the quarterly dividends were paid during the past year. Dividends on this stock are cumulative from their dates of issue in 1925 and 1926 since which time only 12¼ per cent has been paid.

Good Financial Record

The financial record of the new company is worthy of even closer analysis.

When the company was formed it had the following capitalization:

Notes	$2,000,000
First preferred	1,000,000
Second preferred	2,787,000
Common stock (shares)	292,476

Continental and Commercial Securities Corp. of Chicago underwrote and sold the notes. They were sold in 1925 to yield 6.60 per cent.

A syndicate headed by R. A. Daly & Co., Toronto, offered the first preference shares to the public. They were priced at par, though paying an 8 per cent dividend. The issue was quickly over subscribed.

The first year saw heavy expenses. Preferred dividends were barely covered.

Depreciation Set Aside

The second year (to June, 1927) saw $90,000 added to surplus after paying first preferred dividends. The company began to pay off its notes and its bank loans. It began to operate on a smaller inventory. It began to build up depreciation reserves on its properties.

The next year the process was continued and in addition the company began retiring its first preference stocks by sinking fund and outright purchase.

By 1929 the company was paying dividends to the second preference shareholders, the original owners of the business. To date they have received in intermittent dividends over $360,000.

But they have received some things quite as tangible as dividends. Witness:

The original bank loan entirely paid off;

The notes entirely paid off, although replaced by a bank loan of just under a million dollars;

The first preferred shares entirely paid off;

Their preference stock (now no longer called second preferred) a first capital charge on the company;

Their preference stocks listed and now quoted at around 85;.

Why Merger Succeeded

Successful beyond the average of Canadian mergers has been National Grocers. Primarily two reasons for this may be advanced

It was a merger of individual companies with a common interest, put through by themselves to effect a necessary business transformation and not to provide huge financing profits for promoters. The owners of the merged properties took the major portion of their payment in stock. The merger had to make good or they lost heavily.

The enterprise has been managed by the men who had grown up with the constituent businesses and who had the important financial stake in it.

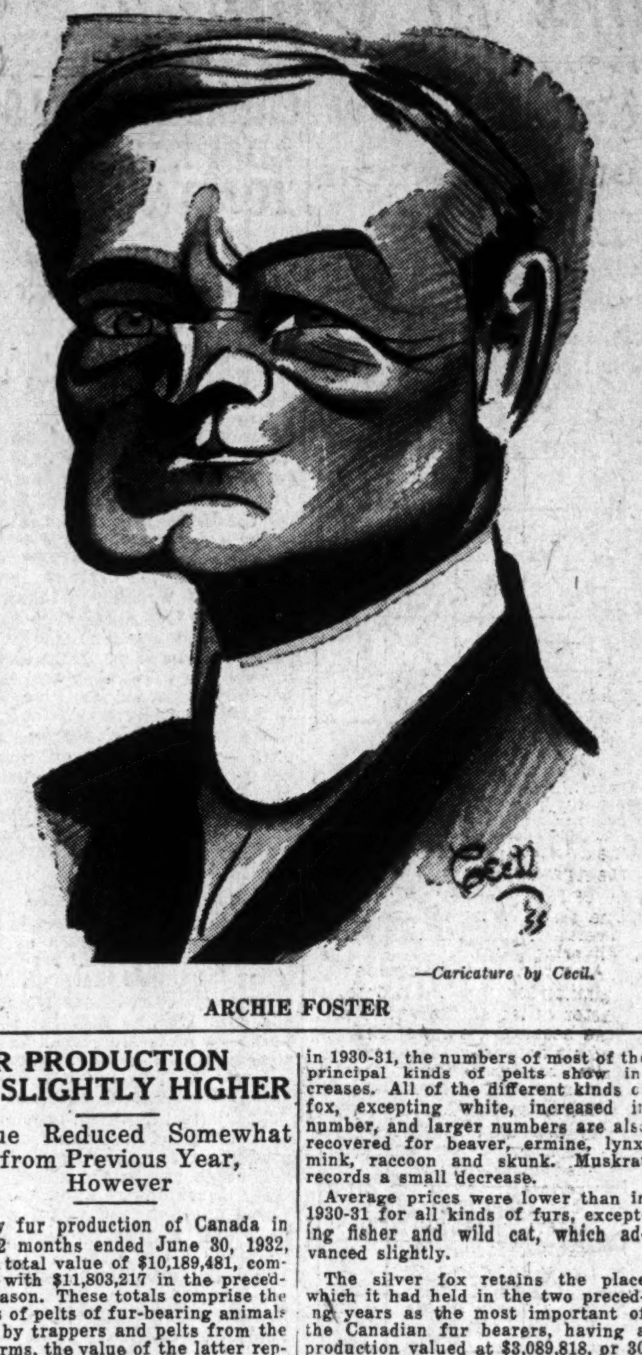
One of these is Archie Foster.

Finger on Pulse

It does not require a lengthy conversation with Archie Foster to see that he keeps his finger closely on the pulse of the grocery business. Mention any item at all and he can tell you the background of the market. Although not a man of many words he is a deep student of business economics and will continue to pin his faith to the old law of supply and demand until something better has been proven. That he is highly regarded by the other prominent executives of the company is exemplified by this statement made by one of them to the writer the other day: "I am just as happy in my work here under Mr. Foster as I was in my own business."

That the worst of the depression is over is Foster's firm conviction. He sees the company's business gradually improving with the upturn in prices and believes that the short crops this year are a blessing in disguise. They are helping to clean up situations that have been dragging badly in the last few years.

He Knows His Groceries



—Caricature by Cecil.

ARCHIE FOSTER

FUR PRODUCTION SLIGHTLY HIGHER

Value Reduced Somewhat from Previous Year, However

Raw fur production of Canada in the 12 months ended June 30, 1932, had a total value of $10,189,481, compared with $11,803,217 in the preceding season. These totals comprise the values of pelts of fur-bearing animals taken by trappers and pelts from the fur farms, the value of the latter representing 30 per cent of the whole in the season 1931-32, and 26 per cent in 1930-31. Although the total value of the fur production was less than in 1930-31, the numbers of most of the principal kinds of pelts show increases. All of the different kinds of fox, excepting white, increased in number, and larger numbers are also recovered for beaver, ermine, lynx, mink, raccoon and skunk. Muskrat records a small decrease.

Average prices were lower than in 1930-31 for all kinds of furs, excepting fisher and wild cat, which advanced slightly.

The silver fox retains the place which it had held in the two preceding years as the most important of the Canadian fur bearers, having a production valued at $3,089,818, or 30 per cent of the total for all kinds. Muskrat is second in order of value with a total of $1,403,993, and white fox, third, with $1,373,809.

PULP AND PAPER TRADE ADVANCES FOR LAST MONTH

Larger Newsprint Shipments Swell Total of July Exports

From Our Own Correspondent

MONTREAL.—Reflecting the increase in newsprint production, exports of pulp and paper from Canada in July showed an expansion over the preceding month and also over July last year. The Dominion Bureau of Statistics reports the value of exports last month at $8,884,710 as compared with $7,892,858 in June and $7,854,665 in July of last year.

Exports of newsprint last month totalled $6,281,525 as against $5,696,713 in June and $6,289,600 in July, 1932.

Exports of pulp were valued at $2,327,980, showing an increase over the previous month and the corresponding month of last year, for which the figures were $1,904,248 and $1,339,558 respectively.

The bulk of the exports again went to the United States, that country taking $7,225,481 of the total exports of both pulp and paper. The United Kingdom took $674,242 while $984,987 went to other countries.

Following are the exports for the month of July compared with those of the preceding month and the corresponding month of last year:

	July, 1933	June, 1933	July, 1932
	$	$	$
Paper			
Newsprint ...	6,281,525	5,696,713	6,289,600
Others	275,205	291,897	225,507
Total	6,556,730	5,988,610	6,515,107
Pulp			
Sulphate	301,225	214,168	209,231
Sulphite (bl.).	1,326,546	1,121,123	728,699
Do., (unbl.).	325,826	345,025	141,030
Mechanical ...	342,725	182,076	254,639
Screenings ...	14,439	33,058	2,469
N. O. P.	17,219	8,798	3,490
Total	2,327,980	1,904,248	1,339,558
Total P. & P..	8,884,710	7,892,858	7,854,665

Last month's exports were distributed as follows:

	Paper	Pulp	Total
	$	$	$
U. K.	544,291	129,951	674,242
U. S. A.	5,443,171	1,782,310	7,225,481
Others	569,268	415,719	984,987
Total	6,556,630	2,327,980	8,884,710

Larger Shingle Production

Although exact figures are not yet available, the shingle production of British Columbia during the first half of the current year is estimated at 30 per cent higher than that of the similar six months' period of last year.

RETAIL MERCHANTS HAVE QUIET WEEK

Wholesale Trade Busy on Fall Orders, is Report

Weekly trade report of the Canadian Credit Men's Trust Association, for the week ending August 26, is as follows:

Halifax—Very little change reported in wholesale and retail trade over previous week and sales continue to be fairly satisfactory. Collections remain fair to poor.

Saint John, N.B. — Wholesale trade report continued gains in some lines and with a generally hopeful attitude displayed. Lobster fishing industry becoming quite active. Retail trade fairly well maintained though with some seasonal dullness noted in wearing apparel. Improvement noted in rural collections.

Montreal—Wholesale groceries continue in good demand. Ladies wear quite busy; dry goods, clothing and boots and shoes, fair; hardware quiet. Both city and country retail merchants report a somewhat quiet week. Collections — wholesale, improving; retail, still slow.

Toronto — No change reported in general conditions over previous week. Retail merchants report sales being fairly well maintained with trade generally seasonally quiet. Collections continue fair.

Winnipeg—Manufacturers continue active. Wholesale groceries continue in fair demand and considerable activity is reported in fruit and produce lines. Other lines practically unchanged. Retail merchants generally report trade for the week as rather quiet. Wholesale collections fair; retail continue slow.

Regina—Wholesale groceries show a slight decrease as compared with last fall. Dry goods and hardware lines show a slight improvement over last year's sales. City retail trade for the week reported very dull — country showing a slight improvement due to demand for seasonal requirements. Current wholesale collections continue good; retail—city, fair to slow; country, slow.

Moose Jaw — Wholesale boots and shoes quiet; wholesale and retail groceries fair; wholesale and retail hardware fairly good; dry goods quiet. Collections fair.

Saskatoon—Wholesale groceries continue fairly steady with no material increase over previous months. Boots and shoes report sales holding up very well. Hardware report business rather quiet with a slight decrease in sales as compared with last year. Oil sales continue fair to good. City retail trade still remains quiet, country just fair. Collections unchanged.

Calgary—Wholesale and retail groceries keeping up fair volume, while other lines are moving rather slowly. Collections still quite difficult.

Edmonton — Wholesale business in practically all lines showing increase in volume; city retail trade, with exception of fruit and produce which are good, is seasonally quiet. Collections continue to show improvement. Crop prospects favorable.

Vancouver—Wholesale grocery and hardware houses report business same as previous week, with collections slightly higher than last month. Dry goods and ladies' wear show a decided improvement over last year, but collections only fair. Boots and shoes report business fairly good. The lumber industry shows considerably increased operations. The salmon pack is smaller, however.

La Patrie Directors to Call Meeting of Shareholders

From Our Own Correspondent

MONTREAL. — Authority of the court has been received by directors of La Patrie Publishing Co. to call a special meeting of shareholders of the company to ratify a proposal of compromise which the board of directors wishes to lay before them. No date has been set for the proposed meeting, nor has any indication been given as to the nature of the compromise to be submitted.

In last week's issue of The Financial Post the history of this company was outlined, together with the intimation that a proposal would be submitted to the bondholders, whose securities have been in default of interest since July last year.

Newsprint Code Hearing Arranged for September 6

From Our Own Correspondent

MONTREAL.—Code of the Association of Newsprint Manufacturers of the United States will be the subject of a public hearing on September 6 next. The association claims to represent 98 per cent of the productive capacity of newsprint paper in the United States.

This is the second code submitted to the Federal Government. The original code was elaborate, calling for a code of fair competition; minimum prices; hours of labor; standard type of newsprint, etc. The second one is simpler in form and is limited to hours of labor and wages.

B. C. Lumber Exports Higher in First Half of Year

British Columbia's lumber exports for the first half of 1933 were greater than in the same period of 1932, the totals being 241 million and 163 million board feet.

Australia purchased 65 million board feet in the first six months of 1933, United Kingdom 107 million and China 57 million.

Vancouver Building Permits

Only a small reduction is shown in the amount of building permits issued by Greater Vancouver in the first seven months of this year compared with last. The city itself reports $1,028,207 compared with $1,494,615 last year while West Vancouver reports $1,206,195 compared with $1,804,822.

New Issue

$13,500,000

City of Montreal

4½% Serial Bonds

Dated May 1, 1933 **Due May 1, 1934-1948**

Coupons 1st May and 1st November. Registerable as to principal only.

Principal and interest payable in lawful money of Canada at City Treasurer's Office in Montreal or at the principal office of the Bank of Montreal or the Banque Canadienne Nationale located in any one of the cities of Halifax, Saint John, N.B., Quebec, Toronto, Winnipeg or Vancouver.

Denominations: 1934-1940 inclusive - $1,000 only
1941-1948 inclusive - $1,000 and $500

Legal Opinion: Messrs. Meredith, Holden, Heward & Holden for the Bankers and Charles Laurendeau, Esq., K.C., for the City.

These Bonds are direct obligations of the City of Montreal and are being issued under the authority of an Act passed in 1933 by the Legislature of the Province of Quebec (23 Geo. V., Chap. 123).

The proceeds of this issue will be used to provide the City (a) with moneys to replace the proceeds of a special tax which has now been abolished; and (b) with funds which in addition to the estimated revenues for the period from 1st May 1933 to 30th April 1934 will be required to cover the expenditures of the new budget for the period 1st January 1933 to 30th April 1934, adopted by the City pursuant to the above mentioned Act. As required by that Act, a resolution has been passed by the Council of the City imposing and providing for the levying each year of a special tax in amounts sufficient to meet the capital and interest of the serial Bonds of the present issue as the same become payable.

Information regarding the financial position of the City will be found in the official prospectus which is available upon request.

AMOUNTS, MATURITIES AND PRICES

$400,000 due May 1, 1934—100.12 yielding 4.30%
400,000 due May 1, 1935—100.23 yielding 4.35%
550,000 due May 1, 1936—100.36 yielding 4.35%
650,000 due May 1, 1937—100.33 yielding 4.40%
750,000 due May 1, 1938—100.20 yielding 4.45%
850,000 due May 1, 1939—100.00 yielding 4.50%
900,000 due May 1, 1940— 99.41 yielding 4.60%
950,000 due May 1, 1941— 98.68 yielding 4.70%
$1,000,000 due May 1, 1942—98.19 yielding 4.75%
1,050,000 due May 1, 1943—98.03 yielding 4.75%
1,100,000 due May 1, 1944—97.46 yielding 4.80%
1,150,000 due May 1, 1945—97.29 yielding 4.80%
1,200,000 due May 1, 1946—97.12 yielding 4.80%
1,250,000 due May 1, 1947—96.47 yielding 4.85%
1,300,000 due May 1, 1948—96.30 yielding 4.85%
(All prices plus accrued interest)

These bonds are offered if, as and when issued and accepted by us, subject to approval of Counsel. It is expected that bonds in interim form will be available for delivery on or about September 11, 1933.

Bank of Montreal **Banque Canadienne Nationale**
The Royal Bank of Canada **The Canadian Bank of Commerce** **The Bank of Nova Scotia**
Imperial Bank of Canada **The Dominion Bank** **The Bank of Toronto** **The Provincial Bank of Canada**

Dominion Securities Corporation Limited
Hanson Bros. Incorporated
Ernest Savard Limitée
F. W. Kerr & Co.
Fry, Mills, Spence & Co. Limited
Harrison & Company Limited
Drury & Co
Midland Securities Corporation Limited
Williams, Partridge & Angus Limited
Société de Placements du Canada

A. E. Ames & Co. Limited
McTaggart, Hannaford, Birks & Gordon Limited
L. G. Beaubien & Co. Limited
Mead & Co., Limited
Bell, Gouinlock & Co. Limited
W. C. Pitfield & Company Limited
R. A. Daly & Co., Limited
Credit Anglo-Francais Ltd.
Matthews & Company
Geoffrion & Rainville

Wood, Gundy & Company Limited
Royal Securities Corporation Limited
Nesbitt, Thomson & Company Limited
McLeod, Young, Weir & Co. Limited
Collier, Norris & Henderson Limited
René-T. Leclerc Incorporated
Kerrigan, MacTier & Co. Limited
Greenshields & Co Incorporated
Hodgson Bros & Company Limited
Société Générale de Finance, Inc.

C. H. Burgess & Co. Limited **Cochran, Murray & Co.** Limited **Dyment, Anderson & Company** **Gairdner & Company** Limited
J. L. Graham & Co. Limited **A. S. McNichols and Co.** Limited **Flemming, Denton & Co.** **Griffis, Fairclough & Norsworthy** Limited
Lajoie, Robitaille & Cie Ltée. **Geo. Beausoleil & Co.**

The statements herein have been accepted by us as accurate but are in no event to be construed as representations by us.

August 30, 1933

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, SEPTEMBER 2, 1933 | 10c a Copy; $5.00 a Year | No. 35

Index-Number Bond Proposed in London

Aim to Assure Lender Return of Real Amount Invested — Presents Numerous Difficulties — Suggested as Gold Clause Substitute

Index number clauses for long-term loans are now suggested as a protection to investors. This suggestion follows progressive disappearance of the gold clause and is reported as arising in London, according to the Whaley-Eaton Service, Washington.

Purpose of the "index number clause" would be to assure long-term lenders that they would get back something like what they originally lent. Under this arrangement the lender would not necessarily get back the same amount in money. But repayment would be made on the basis of comparative purchasing power. That is, if the index of prices were to double during the term of a loan, then the amount to be repaid would be repaid would be double that lent. It sounds simple but it has bad as well as good features.

Failure of Gold Clause

The gold clause, which the proposed index-number clause would replace, was intended to protect investors from depreciation of currency. Now it appears that the gold clause cannot be enforced legally. New loans are being made in this country on the basis of repayment "in lawful money of Canada." Even Great Britain is attempting to alter its obligations to holders of the only United Kingdom gold clause bonds which are outstanding. All this means that the bondholder is now lending at long terms to be repaid in money; dollars, pounds, francs and so on. But the bondholder has no assurance as to what kind of dollars, pounds or francs he will be getting back. Prices of goods may wander far afield before he gets his money. And the currency may be worth less to buy goods, if prices rise in the meantime.

The holder of long term bonds has a double risk. First, as to whether he will get his money back. Second, as to the real value of the money in which he is repaid. Because it is obvious that $100 in 1926 and $100 in 1933 are two different things. The same sum will buy much more today than it would in 1926. In 1943 it is possible that $100 will buy less than it will today.

Index-Number Bond Defined

An index number bond would be one in which is inserted a clause providing for a change in the sum to be repaid, in accordance with the change of prices during the term of the loan. It might also include provision for a change in the sum of money to be paid as interest, depending on the level of prices. Index numbers would be used to estimate the alterations in the general price level.

Such a scheme would present difficulties. Debtors, for instance, would not know in advance what sums they owed as measured in dollars and cents. Also bondholders having fixed money obligations to pay would not be sure that their assets would be sufficient. As an example, a life insurance company would not know whether its bonds would be paid on maturity in amounts equal to maturing policies of fixed amount. Banks would face the same situation in regard to paying out deposits.

Example of Bond

An index number bond could be devised in Canada, based on the indices of the Dominion Bureau of Statistics. An example: $1,000 is borrowed in 1933 to be repaid in 1973. Suppose the 1933 level of prices, as expressed by the index number of the Dominion Bureau of Statistics, be taken as 100. Then the bond could provide that if this index number were not less than 95, and not more than 105, in 1973 the amount of money to be repaid would be unchanged. Wider changes in the level of prices, as measured by the index number, could be provided for by a promise to repay as follows:

Changes in Debt Repayment Based on Changes in Prices

If D. B. S. index of wholesale prices in 1973 were:	Amount to be paid to lender of $1,000 in 1933 would be:
50	$ 500
70	700
90	900
110	1,100
130	1,300
170	1,700
200	2,000

Thus, if wholesale prices had doubled by 1973, the lender would get back twice as much money as he lent. There would be a tendency for the two changes to offset each other. If prices fell to half the present level by 1973, however, the holder of the maturing index-number bond would get only half the amount he lent.

Reinvestment Problem

At this point it has been suggested that the bondholder would have to be able to reinvest the proceeds of the maturing bond in a similar security. Otherwise he would lose half his principal without having any assurance of being able to protect himself if prices started to rise again. This would occur, for instance, if the index fell from 100 to 50 between 1933 and 1973, and the amount of the loan from $1,000 to $500. Then if the $500 were invested in ordinary dollar bonds and prices returned to 100, say by 1980, the bondholders would simply be a loser of $500.

The advantages of the scheme to bondholders if prices should rise are clear. So are those to the debtor in case prices should fall. The present period of depression has been characterized by declining prices. Debtors are faced with repaying loans of greater real amount than at the time of borrowing. The western farmer, for example, who borrowed $1,000 when he was selling his wheat for $1.50 a bushel must now give twice as much wheat, at 75 cents, to pay off the debt.

Economists are generally agreed that the change in the relationships between debtor and creditor, as a result of the change in prices of goods and services, has been a prime factor in aggravating the depression. Debts have remained unchanged, of course, expressed in terms of money. Thus, the index-number bond scheme is a device to prevent occurrence of this disequilibrium to some extent. That is the theoretical side of it.

Practical Difficulties

The practical side is another matter. Some realists feel that the obstacles to be overcome make the proposal impossible. As an instance a municipal loan is cited, say for $100,000. Suppose this grew to $150,000 due to a rise of prices by 50 per cent. How would a city raise the extra $50,000 when the loan matures, ask the skeptics? This might mean that taxes might also have to be on an index-number basis to offset fluctuating debts. Then wages and rents would have to be on a similar basis, it is claimed, in order to allow taxpayers to meet the changing tax bills. Everything would be fluctuating. It sounds like a nightmare.

As cited above, the fixed money value of life insurance policies and bank deposits would also cause difficulties. While bankers and insurance executives might agree that the principal sum of debts should change along with prices, it would be another matter to impress the same belief on depositors and policyholders.

Another practical difficulty might arise from legal interpretation of an index-number contract. There is little material available as to how the courts would view such arrangements. It might mean that the whole philosophy of the law, as it is now accepted in the courts of the British Empire, would have to be altered. Bench and bar now recognize in general that the gold clause bond is not readily enforceable against the sovereign power of nations to determine what their money shall be. The index-number bond might meet the same fate.

Foreign Exchange Aspect

What a sufficient volume of index-number bonds would do to foreign exchange, no one knows. But the effect would certainly not tend to be stabilizing in the opinion of authorities. Moreover fluctuating wages, rents and taxes would further tend to disturb currency values. And stable foreign exchange is contended by many experts to be highly desirable. Thus the index number theorists would have to take into account the international scheme of things before success would be assured.

Another grave obstacle would be the index number itself. This vital factor would have to be specified in the contract and would have to be maintained unchanged during the period of the debt. If the basis of calculation of the price level were altered, then the whole scheme would collapse.

Then there would be the problem of the index number to be used in the bond contract. There are numerous indices in various countries, some of which might be unsuitable. Those maintained by commercial organizations, for instance, might disappear entirely in a few years. Some of those calculated by government bureaux might be unbalanced for various technical reasons.

The truth of the matter, in the opinion of realists, is that index numbers are only in their infancy. The world has been using them for too short a time to have come to the point where they can be relied upon implicitly. Nevertheless there is something of this nature to be seen in the case of rents. The percentage rent, based on gross sales of the tenant, is an example of what is partly an index-number basis. But no case has yet come to the attention of The Financial Post where the landlord, as an offset, has been able to arrange percentage-mortgages, index-number taxes, and so on. But the day may come.

Eddy Operations Ahead of Last Year

From Our Own Correspondent

MONTREAL.—Operations of the E. B. Eddy Co. since the beginning of the year have shown a marked improvement over the corresponding period of 1932. This is particularly so in the case of the newsprint division, whose operations have averaged around 60 per cent of capacity as against less than 50 per cent last year.

The company, according to C. V. Caesar, general manager, is continuing its programme of renovations and improvements to property, although the question of further expansion in the form of new buildings will not be proceeded with until officials have had an opportunity of seeing how the present business improvement will stand up in coming months.

Elusive "Jake the Barber" Trimmed Canadians, British and Americans

But Chiefly the British—Took Ten Millions from United Kingdom as Swag from Share-Selling Rackets—Kidnappers Get Him and Lose Him

By WELLINGTON JEFFERS

John, or Jacob, Factor (Jake the Barber), who has had wide publicity recently on two continents because, first, his son, Jerome, and later he, himself, were kidnapped at Chicago and held for ransom, is reputed to be several times a millionaire as a result of worthless stocks sold by him in the United States, Canada, England and Germany. What he has been able to get away with in all these countries without coming to grief makes him one of the most remarkable high-pressure stock-selling operators on the face of the earth. His companies rarely represented much more than what seemed a plausible idea to the uninitiated, the tens of thousands of people who took his bait seldom got anything back except as ground bait and he has always shown an uncanny prescience as to the best moment to fade away from any situation that threatened to get too hot for him.

Reducer of Bank Rolls

Personally Factor is understood to have some admirable qualities. In that he is like Gilbert & Sullivan's coster, who,

"When he's done abeating of his mother
Loves to lie a-basking in the sun."

He doesn't smoke, drink, or swear profusely and to make up for the suckers he has trimmed he is said to distribute largesse incognito among the very poor. But on the other hand, he has been a genius in the art of reducing bank rolls and accounts of people not too well versed in the ways of shady finance.

Talk about United States exports to the United Kingdom! When Factor exported himself from the United States to England on several occasions, the profits were out of all proportion to the value of the export. He took with him to the United Kingdom a highly developed high-pressure stock-selling machine which fed forth promises of riches and high dividends in wholesale lots through the mails and trusting Britishers in their thousands hastened to let him have their money. He had a whirl at Germany for awhile when London was beginning to get too hot for him and there sold Ford Company "units" (that is, units of stock in an investment trust which bought Ford Company stock with the money received for said units, less commissions and other expenses).

"Protected" and "Warned"

Back and forth across the Atlantic he shuttled, and apparently must have had powerful "protection" on both sides of the water. His information must have been official and timely as well in England as in the United States because he slid out in advance of trouble on every occasion and always took the swag with him. Others got caught but not Factor. Some United States newspapers have not been slow to allege that he had and has powerful underground connections with Al Capone. This Factor denies, but it was noted with great interest that newspapers attributed to him an appeal to Capone's gang to help him regain his son, Jerome, when the latter was kidnapped recently. He was also understood to have implored the same aid (still powerful, though Capone operates from prison) and appealed to the underworld for support. He was even quoted as saying that he had no confidence in the power of the police to aid him and that his hope lay in Capone.

Others claimed that "Legs" Diamond, notorious New York gangster, recently deceased, had financed the latest swindle by Factor's gang in England and that Factor refused to split with him. These observers, or romancers, whichever they may have been, held that "Legs" Diamond made a trip to Europe to collect, but the same mysterious support which Factor found in England on other occasions was invoked and "Legs" did not land. Factor, himself, it is said, started for New York to meet and report to "Legs" but the latter conveniently departed this life by violent means the day before Factor was to land. Factor was stated to have placed himself under the protection of Al Capone in his dispute with "Legs."

Factor's Place in Chicago

Whoever or whatever organization may be behind Factor, it is certain that Factor himself prefers the background to the limelight and would rather pull strings from an obscure post and have twenty companies here and there dancing at his will. The Administration concerned with the putting into effect of the new Securities law in the United States suspects that stock-selling rackets have been organized in the main recently under one directing head in Chicago. Factor, with his fame high in the underworld for the way he put it over the British, is suspected of having been chosen as directing head.

The kidnappings, first, of his son and then of himself do not give evidence that he is persona grata with every element in the underworld; things are not always what they seem in the underworld and it is at least plain that these kidnappings and the sympathy they excited were timely in delaying the success of the long attempt of the British Government to get Factor back to England. Some of his lieutenants have been taken back and have gone to jail in England, but battalions of lawyers and politicians with influence have aided Factor and it is even said that there are some high placed Britishers who are not too anxious to have him brought back. Apparently he fears gunmen very much at the moment, as they mistakenly (possibly) assume he "doubled-crossed" his kidnappers when delivering agreed-on ransom, by secretly informing police where the ransom would be paid. He passionately tells his abductors that the police tapped his wires and got the message. The gunmen cut their way through the trap prepared for them and now Factor keeps close in his room under guard. If he fears the gunmen as much as he says, the security of a British jail is open to him: that is, if British courts, after extradition, take the same view of his activities in England as it has of the activities of his subordinates.

Sold Stock in Canada

Consider the known facts alone, Factor's career is extraordinary and a running commentary on the inadequacy of modern legal machinery to stop clever swindlers who get their money by coaxing rather than strong-arm methods. In Canada, John Factor made his first haul known to this writer. He started a gasoline company in London, Ont., and sold lots of stock to farmers in the district by offering shareholders the right to buy gasoline at a couple of cents under the regular price. One service station was built and several trucks actually went out delivering gasoline.

An attempt was also made to float a similar company in Toronto. John Factor called on the writer at that time because the latter had criticized his flotations. Unknown to the writer by reputation at that time, Factor proved a personable individual. He told apparently a straight story and did not over-emphasize the prospects of his company. He listened equably and without protest to a reiteration of the writer's opinion that his company offered little but hazard to the investor, and with the facts before him he was wise enough to know that there was nothing to be gained by arguing. He simply got up and left the office as though the matter were of little concern one way or another and before a week was over he had faded from the Canadian scene. That is, he had faded in person. He is believed to have been a silent partner in various promotions made here since then and he has borne his part in further bedevilling the reputation of Canadian mining securities by offering "duds" to the English investor.

Arkansas Oil Plot Frauds

That was ten years ago. He still has connections in Canada and may have been, as some allege, the unseen "factor" in many a fly-by-night promotion. He evidently left Canada for England because he desired a larger field. In 1924 and 1925, through the Arkansas oil plot frauds he victimized Englishmen wholesale.

The world attention, drawn to the quick riches won in California, Texas and Oklahoma when new oil districts were opened up was capitalized in these frauds by the securing of a lot of lands otherwise worthless by two companies—British Allied Estates, Ltd., and Cambrian Trusts, Ltd.—and the offer of these to the British public on the ground that there were prospects of finding oil.

One estimate was that Factor's oil selling enterprises in England brought him between $3,000,000 and $4,000,000 and were largely successful because Factor conceived the idea of paying a dividend of 2½ per cent per month, having set aside 30 per cent of the amount taken in for that purpose. He got at least $1,200,000 from the Arkansas "oil plots" but he also sold shares in 1925 and 1926 in the Wyoming-Montana Oil Co. and the British Associated Oil Company of Canada. This campaign was stopped by the police and Factor left England hurriedly and joined Maurice Singer. It was then that it was claimed that he put over a questionable stock selling deal in connection with the sale of Ford units in Germany.

Capitalized Florida Boom

Somewhere between these enterprises he returned to the United States until the search died down in Europe and there he took immediate advantage of the excitement with reference to Florida real estate.

The National Better Business Bureau found it advisable on September 19, 1925, to issue a report of the Florida Land Company of Chicago, Ill. At that time federal warrants were issued for the arrest of Jacob Factor and his associates on a charge of having used the mails to the furtherance of a scheme to defraud at Chicago, Ill. Misleading advertising had been sent broadcast by this company until information collected by Better Business Bureau brought the federal warrant which also named Morris E. Drucker, H. Heinius, H. J. Himmelstein and Newton Feldman as associates in this land selling scheme at Orlando, Florida.

More Coups in England

Factor stepped out from under and resumed operations in England. Factor has engineered several coups since that time in England, according to London "Truth," which attacked his various enterprises boldly on each occasion that Factor started something in England, and in 1931 went as far as to say that most of Factor's operation in England had been "with impunity so far as the criminal law is concerned." Civil actions were taken, it is true, but when these drew too much unpleasant attention the criticized company faded from view. Very soon another company of a different name but the same flavor and smell was operating.

According to "Truth," Factor in September, 1927, started the Financial Recorder with "Captain" Alexander C. Bowles, from Canada, as "editor." He employed a subsidiary concern styled Tyler Wilson and Co. for the purpose of share-dealing. With the help of this paper and the help of this company, shares of Allied Mines, a Canadian company, were sold to the amount of $150,000. They took in about $500,000 in connection with Hecla Consolidated Mines, another Canadian company, and then perpetrated a whole series of share-dealing ramps. Judgments were secured on the ground of fraudulent misrepresentations but in most cases there was difficulty in collecting.

Misleading Financial Advisers

Toward the end of 1928 the "City News," a publication having a remarkably close affinity with the "Financial Recorder," made its appearance.

"Ostensibly the proprietors were the Broad Street Press, Limited, a private company with a small capital, but it was soon evident that the venture was being financed from a hidden source," said 'Truth' at the time. "The scale of the expenditure may be judged from the fact that frequently in the first few months upward of 300,000 copies of the paper—which had neither any genuine sale nor any advertisement revenue worth consideration—were printed and posted to investors in a single week."

Following criticism by "Truth," "soon afterward the 'City News' was transformed into 'Finance,' with 'Norman D. Spencer' as 'editor,' but it is suspected that the name so given was fictitious. 'Finance' became extraordinarily active, and nearly every successive number of 'Truth' at that time contained some fresh example of the devices by which 'Norman D. Spencer' and the Broad Street Press have hoodwinked people in all parts of the United Kingdom. Many have been allowed to make a profit—or have been told that they have made it—on a preliminary transaction in some quoted shares, and so have swallowed all the more readily the promises of much larger profits on the purchases which were next recommended, the latter including unmarketable trash in the shape of shares of the Asbestos and Holdings Trust, Ltd., Vulcan Copper Ltd., and Rhodesia Border Mining Corporation Ltd.,—three companies of which practically nothing is known beyond the fact that they are said to have been registered in Southern Rhodesia."

As a result of further criticism by "Truth" and the growing pressure of claims on the Broad Street Press, the company issued a circular announcing, first, that "for reasons connected with his health, 'Mr. Norman D. Spencer' had relinquished the editorship of 'Finance,' and, secondly, that that publication had been merged with the 'Financial Observer.'

"When a petition for the compulsory winding up of the Broad Street Press Ltd. on the ground that it was carrying on a fraudulent and illegal business was presented on behalf of a lady who had been swindled out of £6,000 the Broad Street Press, Ltd., held a meeting and resolved to go into voluntary liquidation."

It was estimated that "Finance" alone defrauded the public to the tune of $1,200,000. London "Truth" gave very sharp criticism of the criminal law of England as it then existed on the basis of these operations, complaining that what was chiefly wanted was action for the suppression of frauds of this description in the early stages. It recognized that there were usually great difficulties in the way of prompt action by the police or for that matter of any action at all. Even when a share-dealing business may seem to be palpably fraudulent when it is exposed in a newspaper or in a civil court, the criminal law is hedged about with technical requirements and qualifications which apparently enable cunning swindlers to avoid a conviction. The reluctance of authorities to face a failure was one reason cited by "Truth" for their slowness in getting after Factor, but from this distance it would appear that there must have been other explanations than pusillanimity.

"Truth" thought that Britain should take some lessons from the Martin Act of the State of New York, which facilitated the investigation of share-dealing businesses on prima facie evidence of fraud and empowered the court to grant on such evidence an injunction suspending the business until the investigation had been completed. In that way schemes operated under the cover of bogus financial newspapers—known in New York as "tipster sheets"—were constantly nipped in the bud, and "Truth" felt that the adoption of a similar law in England would be in the public interest.

Jailed All But Factor

The mills of the British courts may have moved slowly but eventually on the Broad Street Press share-pushing swindles Herbert J. Spellen, Frederick Newbery and Burnett L. Elman, lawyer, were convicted at the Central Criminal Court, London, in July, 1931. Factor, Klein and Green were in the United States and could not then be obtained. Eventually, they extradited Albert Jack Klein, who was one of Jacob Factor's chief lieutenants in the perpetration of the frauds of the Broad Street Press, Ltd., by which investors were robbed of about $8,000,000 and they gave Klein 21 months imprisonment. Then on February 17, 1932, another of Factor's confederates, Harry Green or Geen, was brought back from the United States, tried, convicted and sentenced to nine months imprisonment.

Extradition proceedings against Factor himself in Chicago have dragged on interminably. It is possible for him to make another appeal against the judgments given against him. If he had been in New York State he would have been extradited when Klein was, but Illinois law is kinder to the wanted man.

The offence with which Factor is charged is not a felony under Illinois law.

What Competent Rogues Know

"Truth's" comments on this case, though made with reference to British criminal law as applied to fraud," are well worth consideration in Canada:

"Looked at in the light of common sense and common morality and of the law itself in so far as a civil action is concerned, a fraud may be as plain as a pikestaff, but whether anybody can be brought to book on a criminal charge is quite another question. The criminal law in relation to frauds of the species of which Klein was accused is full of loopholes with which competent rogues are thoroughly acquainted and they naturally make their plans with an eye to their escape from justice in the event of prosecution. Not only is this so, but if, as often happens, the prosecution is necessarily based on a mass of direct and indirect evidence of a long series of complicated transactions, there is always the chance that the jury, being unequal to the task of unravelling the tangle, will give the defendant the benefit of their mental confusion. That is undoubtedly a danger in every case of the kind."

Glib-Tongued Gentry

"Factor's modus operandi was not new, but it had never before been employed on the same magnificent scale. Its salient features were the widespread gratuitous circulation of a bogus newspaper, the giving of apparently sound advice and the payment of profits on apparently successful deals in order to inspire confidence, and, finally, the unloading on the dupes of worthless shares in wildcat companies. In the latter process the dupes were plied with private and confidential letters, telegrams, and telephone messages from the 'editor,' and many were interviewed personally by canvassers who usually posed as the 'editor's secretary.' About a score of these glib-tongued gentry—Americans of the class known as 'jazz salesmen'—toured the country for Factor, and it was through their agency that the bulk of the plunder was obtained.

"The 'jazz salesman's' is a lucrative profession—Factor rewarded his gang with commissions to the amount of no less than £157,426—and not so very risky. A slippery customer, always using an alias, he has generally disappeared before his victims wake up to the fact that they have been swindled, but if he should have the misfortune to be laid by the heels his plausibility and persuasiveness may stand him in good stead with the jury."

Factor Was Arch-Conspirator

Factor is regarded by "Truth" as the arch-conspirator in the Broad Street Press affair. His was the brain which devised and organized the swindle and his likewise was the capital employed in its execution, it says. Money was poured out like water in the early stages of this gigantic confidence trick, but Factor had plenty of money, the proceeds of earlier frauds on the British public. Although Factor was in supreme command, he had a good many accomplices; it is preposterous to suppose, as alleged in defence of some of the subordinates, that the staff engaged in the production of the bogus newspaper and the foisting of worthless shares on inexperienced investors were really ignorant of the true character of the business.

Economic Wisdom Down the Ages

and How History Repeats Itself

MEN'S HEARTS FAIL THEM—1895

"The cycles of business prosperity show a steadily diminishing tendency. Now and in future we must anticipate more prolonged eras of slack trade and general cheapness, with correspondingly short periods of high prices and business activity. We are living in a transition period. Men's hearts are failing them for fear of what the future may have in store for them."

—H. E. M. Stutfield in Blackwood's Magazine, quoted in Public Opinion, April 4, 1895.

* * * *

HOPE OF BOUNDLESS WEALTH—1720

"During the progress of this famous bubble, England presented a singular spectacle. The public mind was in a state of unwholesome fermentation. Men were no longer satisfied with the slow but sure profits of cautious industry. The hope of boundless wealth for the morrow made them heedless and extravagant for today. A luxury, till then unheard of, was introduced, bringing in its train a corresponding laxity of morals. The overbearing insolence of ignorant men, who had arisen to sudden wealth by successful gambling, made men of true gentility of mind and manners blush that gold should have power to raise the unworthy in the scale of society."

—From "Extraordinary Popular Delusions" by Dr. Charles Mackay.

* * * *

JOHN BASSELL'S SALARY IS RAISED

"Ordered that the salary of John Bassell, court keeper, be hereafter ten pounds currency per annum out of which sum he is to furnish firewood for the use of the Court of Quarter Sessions and District Court."

Minutes of the General Quarter Sessions at York, Canada, April 18, 1808.

Four Nations Could Stabilize Exchanges

Prof. T. E. Gregory Avers World Recovery Depends on Stabilization of Currencies

A world conference to stabilize currency is vital and urgent and the essential step toward economic recovery, in the opinion of Professor T. E. Gregory, noted British economist, now in Canada whose opinions have caused considerable controversy during the recent Banff conference of the Institute of Pacific Relations.

Prof. Gregory, head of the so-called London School of Economics and rated one of the most brilliant financial authorities in Britain, says that the misfortune of the World Economic Conference lay in the fact that it tried to deal with too many issues; that its aims were too scattered and diverse.

Four Nations Can Lead

"It would not be necessary to summon 66 nations, 65 of which attended and the last one defaulted," said Prof. Gregory with a smile. "Call together three or four of the four great powers whose decisions on currency or financial matters swing the rest of the world with them. If we can get agreements between Great Britain, United States, Japan and France on the future currency of the world, we will have solved what is, in my opinion, the main obstacle to recovery.

Prof. Gregory said he was in favor of a general return to a stable currency because he believed the chaotic conditions we are in at the present time is a nuisance which cannot be borne, but returning to the gold standard does not mean the old relation between gold and dollars or gold and the yen—in other words, the relationship which obtained in 1929.

Raw Materials Hit First

Discussing the breakdown of the gold standard in the countries bordering on the Pacific, Prof. Gregory said that the answer to the situation lay in the characteristic features of agricultural units in a period of depression, and it was no mere matter of chance that Australia was the first great raw material producing country in the British Empire to go off the gold standard because of the depression. All periods of depression notoriously thrust upon agricultural states a burden which they found very difficult to bear. Periods of rising prices of agricultural and raw material products were also periods of rising land values, and there was a mischievous tendency for agricultural states to borrow in the world's markets and to borrow from the banks, with the result that when depression came agricultural states were faced with the two-fold problem of repaying their debts to local banks and meeting their debts abroad. These two burdens were sufficient to break the backbone of even the most patient farmer.

"The fundamental fact which characterizes every depression in every country at all times is simply this—that the level of prices tends to fall faster than the level of costs," said Prof. Gregory. "Our modern industrial states are all characterized by one uniform feature, namely, that, in spite of the capitalistic system, it is in fact exceedingly difficult, at a time when prices fall, to decrease the costs of production as rapidly as the price level is decreasing. Labor costs are rigid as compared with capital costs. Statesmen of every nation are faced with the problem of getting the price level up to cost or the level of costs down to prices. It is much easier to get the price level up by a certain device than to get the cost level down. A special device by which you can get the price level up without destroying your markets is by going off the gold standard and allowing the rate of exchange to fall."

The ultimate consequences of nations abandoning the gold standard are not pleasant to contemplate, according to Prof. Gregory, who points out every nation that has taken this course has apparently expected to be fortunate enough to gain from the exchange going higher. All they have really succeeded in doing, he believes, is to lower the level of farm prices on the great markets of the world by forcing exchange down.

U. S. Policies Important

The currency problems of the Pacific countries, if not of the whole world, depend very largely on what the United States does with the American dollar, he believes. And he feels that the United States will find it impossible to implement the National Recovery Act unless the dollar is allowed to fall. Assuming that President Roosevelt exercises his authority to depress the dollar—if necessary by 50 per cent, the British pound would unquestionably decline, too, and then Japan would follow example and depress the yen. That, Prof. Gregory feels certain, would be the sequence of events.

If the United States, Great Britain and Japan depressed their currency—and the textile war would force Japan to take action similar to Britain—the pressure on the gold standard countries would be unbearable, Prof. Gregory believes. "If the dollar improves," he said, "the consequences which I have outlined will not likely take place, but if the dollar depreciates, the result seems to be absolutely inevitable.

Wants Stable Currency

"I am in favor of a general return to a stable currency because I believe the chaotic condition we are in at the present time cannot be borne. So far as I am concerned, I am prepared to give every politician in every country that margin of safety for which he is looking, provided he will give me in return what is indispensable to world recovery—a fixed rate of exchange.

"I believe that, not only because stable money is a pillar of the economic system, but also because that without stabilization of currency no country will stabilize its tariffs. Now for the first time in history currency problems and tariffs have been inextricably mixed. Although I am a free trader, there is no possibility of stabilizing tariffs until currencies have first been stabilized. A certain degree of currency change may make protection absolutely meaningless, with the result that tariffs will have to be raised again."

SAYS LUMBERMEN OPERATED AT LOSS FOR PAST 3 YEARS

J. D. McCormack Tells Banking Commission of Fight for Markets

British Columbia lumber manufacturers have been operating for the past three years regardless of profits in order to meet competition from other world countries and maintain their organizations, J. D. McCormack, president of the British Columbia Lumber Manufacturing Association told the Banking Commission at a recent hearing in Vancouver. This has resulted in the opening up of markets hitherto closed to B. C. lumber, he said.

Lumber operations, in the past year, were running at about 25 per cent of the level of 1928 and 1929, Mr. McCormack, told the commission. In the immediate district of Vancouver, however, he said that operations had recently been increased to about 40 per cent. Combined with this large decline in volume prices have dropped 50 per cent from the 1929 levels, he added.

Asked by the chairman of the commission to what would he attribute the great falling off in business, Mr. McCormack stated that he felt that to some extent industry was responsible. He felt that between 1919 and 1929, building operations throughout the world were artificially stimulated so as to make up for the stagnation of the war years and that as a result, 15 years operations were crowded into 10 years. The stagnation of the present was therefore inevitable, he felt.

Lost U. S. A. Market

Loss of the United States market had, of course, caused a considerable reduction in operations but then United States mills were operating at a very low ratio of production and the market in that country would have been greatly reduced even without the almost prohibitory tariff. The loss of the United States market, Mr. McCormack felt, had resulted in greater attention being paid to other markets. Prior to our depression at home, we were not in the United Kingdom market to the extent that we are now, Mr. McCormack said.

Mr. McCormack stated that he was unable to tell the commission whether or not lumber operations in other world countries outside of the United States were at the low level of Canadian operations but he pointed out that Canada was now taking a greater share of the British, Australian and Chinese market than during boom times and therefore he felt that other countries would be similarly affected as has Canada.

Transportation Handicap

In operating in the United Kingdom market, Mr. McCormack stressed the tremendous handicap of freight rates when compared with the Baltic countries. Mr. McCormack said:

"I just want to make one remark about the competition we have to meet in the Baltics. There is the big factor of transportation. With regard to the average value of lumber that we ship to the United Kingdom at the present time we are under a handicap in transportation alone equal to 50 per cent of the value of our product as we lay it down on the dock to be loaded on board ship. ... There is a handicap running from six to eight dollars compared with Sweden and Finland."

HALIFAX SHIPPING EASIER LAST MONTH

Vessels Fewer But Tonnage Greater — Total to Date Under 1932

From Our Own Correspondent

MONTREAL.—Port of Halifax reports a total of 548 vessels entering and clearing the port in July last compared with 512 for the same month in 1932 and 543 for July, 1931. The net registered tonnage is reported at 479,671 tons compared with 659,904 tons and 750,424 tons in July, 1932 and 1931, respectively. The decline in net tonnage is attribtued to the decrease in the number of passenger liners engaged in the International coastwise passenger cruises from United States ports.

Since the beginning of the year the total number of vessels entering and departing at Halifax reported 3,255 compared with 3,267 for the same period in 1932 and 3,172 for the first seven months of 1931. The net registered tonnage this year amounts to 4,998,255 compared with 5,015,827 tons for the same period in 1932.

Cargo Tonnage Greater

Total cargo tonnage handled inward and outward during July, 1933, is reported at 130,073 tons. This compares with 119,287 tons for July, 1932. For the first seven months of the current year, the total cargo tonnage reported by the port amounted to 881,041 tons as against 929,394 tons for 1932 and 989,162 tons for 1931.

While decreases are reported in South American, West Indies and coastwise trades, increases are reported in transatlantic, Asiatic, Newfoundland and African. In connection with the trade routes it was noted that the transatlantic cargo tonnage for the first six months of the year is reported at 231,591 tons compared with 168,071 tons for the same period of 1932 and 133,778 tons for 1931.

N. B. Collieries Busier

The coal mining industry in New Brunswick is busier than it has been for 15 years and is working at 100 per cent capacity, according to Allen King, manager of the Minto Coal Company, at Minto, N.B.

Wheat

From Our Grain Correspondent

Effects of Wheat Pact

WINNIPEG.—Whatever may be the ultimate effects of the wheat agreement reached at London, the early market reaction was unfavorable. Chicago wheat dropped on Tuesday the full five cents permitted under current restrictions and largely under that influence the Winnipeg market declined until it rested on the pegged price. This was the more surprising as during the past week a substantial amount of export business had been transacted at some slight advances over the pegged price, giving hope that at last a basis had been reached at which as good a business as is possible under present conditions might continue. Also, Liverpool had earlier reported a better market tone, which observers there had attributed to the conclusion of the wheat conference.

The unfavorable effect in the United States may have been attributed to doubt as to whether after all the agreement would finally be validated, for after the main document was signed, it was still necessary for Russia, Argentina, Australia, Canada and the United States to agree on their respective allocations of the export business to be done this year, amounting, it is expected to 506,000,000 bushels, after the Danubian allotment of 54,000,000 bushels is taken care of.

Reported difficulty in getting the Argentine to accept her proposed share created an atmosphere of general doubt. In addition, several other factors have been operative. Investors, quite at sea as to how the quota plan might ultimately work out, were disposed to drop interest in the wheat market, and to get out, while there was reluctance on the part of new buyers to come in. These ideas were reflected in Winnipeg as well as in Chicago.

* * *

Acreage Cut in United States

ANNOUNCEMENT from Washington that harvesters receiving wheat benefits from the government would be required to cut their wheat acreage by fifteen per cent might have been expected to be bullish, as the total acreage reduction involved might be expected to reach over nine and a half million, meaning a cut in production in an ordinary year of 125,000,000 bushels or more, but reports began to come in that other farmers were making plans to put new land into wheat, in the hope of benefitting from expected higher prices, and of determination on the part of farmers cutting down acreage to use more fertilizer and to cultivate the remainder more intensively.

The market, too, was disturbed by reports emanating from Washington, which appeared to exaggerate the quantity of wheat the United States might be able to spare for export, and to minimize prospective consumption in that country, creating doubt as to whether or not the country could, throughout the whole year, sustain domestic prices far above export levels.

* * *

Wheat Shipment Higher

BOTH world and Canadian shipments increased last week, the former to over 11,000,000 bushels, but the increase was reflected rather in larger quantities afloat than in higher receipts by importing countries. Canadian clearances were close to 4,000,000 bus., but were much exceeded by those of Argentina, which put five and a quarter million bushels afloat. That country continued to sell in volume, although if accepted statistics as to her remaining supplies are correct, this must soon decline. In the meantime, by accepting a price much below that of either Canada or the United States, to cover not only the British duty and the inferior quality of her wheat this year, and a substantial discount besides, she is making large sales. In some quarters it is suggested that purchasers are hastening to assure themselves of a supply of cheap wheat before it ceases to be available.

* * *

Vague Russian Position

THE Russian situation continues to be puzzling. There are some reports of a very large harvest, and official reports indicate both an ability and an intention to make some considerable exports. But clearances in volume have not yet commenced, possibly due to unfavorable conditions in South Africa. But in the meantime, Continental Europe is flooded with stories of famine conditions in Russia, and calculations are published of millions of deaths during the past year from either famine or insufficient food supplies, peasants are represented as struggling to hold their grain, and bread prices have gone up in Moscow.

* * *

Wheat Crop Estimates

ESTIMATES of the size of the wheat crop continue to vary greatly, for threshing returns have been found to differ much from previous expectations, being much better in some cases, and much worse in others. While figures much less than 250,000,000 bushels are occasionally quoted there are always observers who have not yet lost faith that a total of 275,000,000 bushels may be reached. The problem of feed for livestock is receiving increasing attention, and there can be no doubt that the shortage will be acute over large areas, as the production of feed grains suffered proportionately more than that of wheat.

Grain—

Memberships on the Winnipeg Grain Exchange, the Chicago Board of Trade and direct private wires to the Exchanges at Winnipeg and Chicago, place us in a position to execute orders promptly and efficiently.

WATT & WATT

Members:
Toronto Stock Exchange
Standard Stock & Mining Exchange

6 Jordan Street Toronto
ADelaide 3221

Grain and Milling in Canada

OTTAWA VIEWS WHEAT PACT WITH FAVOR

But Sees Fight Before Ratification By House

From Our Own Correspondent

OTTAWA. — While the wheat marketing and production agreement is being hailed with great satisfaction and relief by cabinet ministers here, it seems inevitable that ratification by the Canadian Parliament will only be obtained after prolonged discussion and much controversy. Many aspects of the agreement already are being sharply challenged.

As to the immediate effects, there seems little doubt that Canada's present wheat problem has been advanced materially toward a solution, although the carrying of the agreement into effect may compel the Dominion to become more deeply involved in the wheat trade than heretofore. Federal control of exports, as well as Federal financing of the 1933 crop are considered to be not only possible but probable consequences of the agreement.

Two Major Aspects

Apart from such considerations as the effect of the agreement on world prices and foreign tariffs, Ottawa is interested in two aspects of the new policy—the effect upon the carry-over and the problem of acreage reduction.

As to the carry-over, it seems to follow that if Canada is to be restricted to a definite export quota, the Government will have to exercise supervision and might conclude that the simplest way would be to place the entire trade under one directing agency with someone like John I. McFarland in control. Otherwise endless detail must be dealt with. The fair division of export licenses among the scores of exporters alone would present an administrative task of great difficulty. No real trend of opinion is in evidence here on this phase of the question, ministers preferring to await the return of Mr. Bennett who, doubtless, has thought this matter through.

In the ordinary course of events important cabinet decisions with respect to the wheat trade must soon be taken, and the wheat agreement unquestionably will greatly modify the views of the ministry in this regard.

Financing Difficulties

It became known this week at Ottawa that some difficulty is being experienced in financing the new crop and that a very strong move for an all-embracing Government guarantee is being made from the West. The facts are reported as follows: Of the 219,000,000 carry-over, John I. McFarland controls some 150,000,000 bushels and this total already is guaranteed by the Dominion, although financed by the banks.

On the balance of the carry-over, some 69,000,000 bushels, it may be presumed that the banks have made the usual advances, in return for the pledging of warehouse receipts, and have not received any guarantee. With the new crop soon to come on the market, the banks are understood to hold the view that they cannot go on indefinitely financing wheat unless there is some clear cut decision as to time of sale. It is quite probable that the banks favor the immediate sale of a part of present wheat stocks and liquidating of the huge investment they are carrying therein.

Need Banks' Support

Obviously the new crop cannot be handled without the financial assistance of the banks. Therefore, failing a Government guarantee to the banks on the new crop—and this is being strongly pressed at Ottawa—something approaching a rapid liquidation of part of the present wheat stocks would follow. The surplus would have to be reduced to a point where the banks deemed it safe to finance the new crop.

Whether or not the Dominion will give a guarantee will be decided after Mr. Bennett's return.

Acreage Problem

As to acreage restriction, Ottawa has no idea as to how it will be enforced. It is said here on the highest authority that Premier Bennett only advocated control after he had been vigorously requested to do so by the three Prairie Provinces. It was generally understood at the meeting he held with western representatives, shortly before he sailed to the World Conference, that the Prairie Governments would undertake to enforce any commitment that he might enter into.

From a constitutional viewpoint, the authority to restrict acreage would appear to rest largely with the provinces, although the Dominion has wide powers to enforce any international agreement which has been ratfied by Parliament. The facts with regard to the agreement can scarcely be in doubt. This year the western wheat acreage is 25,177,000. Eastern acreage may be ignored for the reason that little eastern wheat is exported. The fifteen per cent reduction will mean that 3,776,550 acres must be withdrawn from wheat next year.

How can this be done? It is conceded that to attempt to do it by law would be futile. Both Federal and Provincial Governments could not maintain a sufficiently numerous police force to assure enforcement.

The Prairie Provinces who were the original advocates of this policy drew their inspiration from the Roosevelt policies and they will advocate wheat acreage reduction by compensation. That is, farmers will be paid so much an acre not to sow their land to wheat and and they will be paid up to 15 per cent of their year's sowing.

An essential element in this policy is that the compensation must be highly attractive. Farmers must be paid enough to make them eager to co-operate with the Government. If compensation was allowed on the basis of 15 bushels per acre, the total bushelage would amount to 56,648,250 which at, say, 70 cents per bushel would mean a total outlay of about $40,000,000.

State Will Pay

It is agreed that western farmers as a whole and, therefore, the country at large, will greatly benefit by reason of higher prices for the outturn from a reduced acreage. But the catch in this is that the benefit goes to the farmers, not to the state, while the money needed for compensation must be raised by the state.

The Prairie Provinces, clearly, cannot raise so large a sum of money and Parliament would hesitate to vote it out of Federal revenues, thereby adding to already huge deficits and increasing the debt.

And in whatever way the various Governments attempt to collect compensation revenue, whether it amounts to $40,000,000 or half that sum, great political difficulties arise. The Prairie Governments all along have contended that the proper way to get the money is to place a processing tax on domestic flour. But this would add to the cost of bread all over the country and would be resented by the mass of the people.

Propose Export Tax

It is just possible that a wheat export tax would do the trick, but some way would have to be worked out to apply the tax, also, on wheat sold for domestic consumption and, here, again, the voice of the consumer would be heard in protest.

These are angles of the wheat agreement which are being studied closely at Ottawa.

NO NIRA FOR CANADA CONSIDERED IN OTTAWA DESPITE MANY REQUESTS

(Continued from page 2)

of Government bonds by the Federal Reserve Bank, taken to indicate credit expansion.

"The plain truth is that neither the NRA nor the Agricultural programme can succeed unless there is a comparatively quick acceleration of the velocity of both money and credit," is how the Whaley-Eaton Service, Washington, sums up the situation. The weekly letter of the Service points out that while little real increase in consumption was expected until increased payrolls were established, it is now indicated that at least 3,000,000 will be on the dole over the winter; possibility of a national consumer demand anywhere near sufficient to take up production capacity, therefore, seems remote.

Complaints against inordinate price rises which have been reaching the NRA in increasing numbers in the past week or two have resulted in action being taken by the Administration. The woollen industry has been called to Washington to explain price rises in the industry and complaints against increases in cotton lines may result in somewhat similar measures being taken in regard to this industry.

Exercise Powers

The textile industry, among others, will be compelled to exercise the full extent of its self-government granted under the code to curb unwarranted price increases.

Gen. Hugh Johnson is on the eve of setting up a permanent "super" control board which, in the final analysis, may become the backbone of the permanent organization of the NRA, it is reported from Washington. This will be a supervisory agency to see that the provisions of the individual codes are carried out in the spirit of the law, with the policing work to be done by the Federal Trade Commission and the Department of Justice.

Plenty of Sceptics

It would appear that there is an ever-growing body of opinion in the United States which feels that any progress that has been made is the result of a general world recovery. Time, New York news-magazine, instances Canada as an example of material progress without a "New Deal." The Annalist, New York, says this:

"The sustained recovery in industrial activity abroad affords tentative confirmation of the theory that the low point in the world depression occurred last September. It is still an open question whether this recovery possesses sufficient strength to drag us through our spectacular experiment in economic manipulation."

CANADA ONLY NATION SEVERELY RESTRICTED BY WHEAT AGREEMENT

(Continued from page 1)

two years with the proviso that, if found necessary, they may amount to 54,000,000 bushels this year. This really amounts to nothing, since it covers fully their estimated exporting ability. True, prior to the war, they exported on a larger scale, but population increases and changes in land tenure and agricultural practices have impaired their exporting ability. But they have gained something they have long been fighting for, what amounts to essential recognition that their export surpluses should be absorbed before Europe imports wheat from non-Europe.

The four great non-European exporters, Canada, the United States Australia and the Argentine agree to quote the effective clause respecting this year that:

"exports of wheat from their respective countries during the crop year Aug. 1, 1933, to July 31, 1934, shall be adjusted, taking into consideration the exports of other countries, by the acceptance of export maxima fixed on the assumption that the world import demand of wheat will amount during this period to 560,000,000 bushels."

Obviously that requires a supplementary agreement between these four countries as to how the export of 460,000,000 bushels is to be divided, and at the moment of writing the following have been suggested:

	Bushels
Canada	200,000,000
Australia	105,000,000
Argentina	105,000,000
United States	50,000,000

Australia is evidently giving up nothing. The figure set is quite up to her average exports except for the past three years, when unusually heavy yields enabled exports exceeding 150,000,000 bushels annually to be made. Long continued drought has made a small harvest next December probable, and she could probably not export more than 100,000,000 bushels during the current crop year without leaving herself decidedly short of wheat next midsummer.

U.S.A. Not Affected

United States gives up nothing. Because of a short crop this year, 50,000,000 bushels is the maximum export surplus available during the current year, and there is no chance of even that amount being reached, because of the price situation, unless the country resorts to a system of subsidized export, ordinarily referred to as dumping. Should the government choose to give away such a quantity of wheat at less than cost, in order to help keep domestic prices, the agreement would seem to throw a mantle of respectability over the dumping practice.

Presumably the United States export quota will remain in suspense until the administration decides whether or not it will suit its policy to make use of it, for ordinary commercial exports are quite impracticable under the present price situation. The whole export agreement can be used to justify, although it is hardly likely to modify, the domestic wheat plan to put into effect by the administration.

Argentina's Position

Argentina is in a different position. The suggested quota is well below the average exports of that country, not only of recent years but over a long period. Argentina, like Australia, faces the prospect of a very poor harvest at the end of this year, and if the outlook does not improve the quota may represent all that country will have to spare during the current crop year. It may be that her delay in signing the agreement, for her representative, although he indicated that his country would later sign the agreement, did not sign it, is due to a desire to see what the forthcoming crop is likely to be. Should prospects improve, it may be imagined that Argentina, while accepting the main agreement, might demand from the United States, Canada and Australia, a greater freedom for sale.

It is just possible, also, that Argentina will want to know what is meant by the British signature to the agreement, as one of the importing countries which is to do something for exporting countries once the price of wheat has reached a certain level. Is it any indication, for example, of an intention to do away with or lighten the import duty of two shillings a quarter which is now imposed on Argentine wheat while Empire wheat enters free?

Canada Hampered

It is only when we come to Canada that the agreement imposes an obligation not to sell wheat actually in existence. The Canadian quota suggested is 200,000,000 bushels, perhaps 50,000,000 more than Canada has produced this year for export. It might allow eating into the carryover by 50,000,000 bushels, but it would still be left at 150,000,000 bushels, and perhaps more.

Nor does the agreement contemplate that the carryover should be disposed of in the following crop year. With respect to 1934-35 the four chief exporters agree:

"to limit their exports of wheat to maximum figures 15 per cent less in the case of each country than the average out-turn on the average acreage sown during the period 1931-33 inclusive, after deducting normal domestic requirements."

Interpretation Needed

There is room for some interpretation here. Does the average outturn mean the acre-yield of the years specified, or the country's long time average? Whatever the meaning it imposes little prospective burden on the other countries. The United States plans to reduce its acreage anyway, so it will not be troubled with an export surplus. Australia and the Argentine can each carry into the crop year in question the effects of the short crops in prospect for next December. If their crops are bigger the following year, it may be necessary to delay the marketing of a portion of them for a period of a few months. But Canada, if it is not to increase this country's carryover again, must produce less than an average crop in 1934.

True, it is provided that if the export demand is larger than would be satisfied by the supplies provided for, Canada and the United States might share the surplus. But, just as Russia and the Balkans are given the right of way ahead of other countries, so Canada must stand aside and give the right of way to other exporting countries before anything is done to reduce her carryover. Canada is thus committed to a big carryover in 1934, although somewhat less than this year's, but also to another big carryover in 1935, perhaps fully as large as that of this year.

Spokane International Files Bankruptcy Order

Western Railway, Controlled by Canadian Pacific Railway, Unable to Meet Bond Interest — Will Carry Out Reorganization

From Our Own Correspondent

MONTREAL.—Unable to meet interest on its $4,200,000 of bonds, the Spokane International Railway, controlled by the Canadian Pacific Railway, has filed a voluntary petition in bankruptcy preparatory to reorganization. The petition was authorized by the directors last June 27. E. S. McPherson, vice-president and general manager, has been selected as trustee.

Operations of the Spokane International Railway are confined to the states of Washington and Idaho. The company operates 163.5 miles of owned and leased lines between Spokane and the Canadian border at Eastport, Idaho. The line then connects up with the Canadian Pacific Railway in the Crow's Nest Pass area. Through trains are run from Calgary to Spokane.

C. P. R. Holds Control

At the end of 1932 the Spokane International's balance sheet showed assets totalling $11,042,342. Funded debt consisted of $4,200,000 of $5 per cent bonds due in 1955. In addition the company had a non-negotiable debt due to affiliated companies amounting to $1,748,088. The public statement does not indicate the companies to which the non-negotiable debt is owing. Capital stock of the railway amounts to $4,200,000, of which the Canadian Pacific Railway owns $3,941,800.

Canadian Pacific's interest in this railway took concrete form during the late Lord Shaughnessy's regime. The company exercised its option to purchase majority control in 1927. Its holdings of Spokane International stock have been carried among "miscellaneous investments" at par value, namely $3,941,800. No dividends have been paid on this stock in the last 15 years.

Operating Profit Gains

From Our Own Correspondent

MONTREAL.—Canadian Pacific Railway's net operating income in July showed an increase of approximately 50 per cent over that for the same month a year ago and brought the cumulative total for the first seven months of 1933 up to $6,229,521, representing an increase of $117,933 over that for the same period of 1932.

This is the most favorable showing made by the company for many months past and is a reflection of the stringent economies put into effect by the management as well as to a pick-up in traffic receipts.

Gross income in July last amounted to $10,142,427, an increase of $473,084 over the same month a year ago. Operating expenses continue to decline so that net earnings of $1,368,380 exceeded those for July, 1932, by $508,671.

Register Net Gain

For the seven months of the current year ended with July, the Canadian Pacific Railway had a gross revenue of $60,865,922. This compares with $67,714,642 for the corresponding period last year. Operating expenses were reduced from $61,603,055 to $54,636,401. Net operating revenue for January to July period this year amounted to $6,229,521 compared with $6,111,587 for the initial seven months of 1932.

CANADA NORTHERN OFFERING RIGHTS TO SHAREHOLDERS

Stock Authorized for Sale to Power Corp. to be Sold Pro Rata

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp. is offering 17,590 no par value common shares to shareholders in the ratio of one new share for each 20 shares held at a price of $12 a share.

These rights accrued to shareholders registered on the books of the company as at September 30, 1933, and are exercisable up to noon on October 31 next. Fractional warrants will be issued but subscriptions will only be accepted for full shares.

On the basis of the current market price of $16 a share, these rights have a nominal value of about 20 cents.

Will Increase Issue

Canada Northern Power Corp. has 375,000 shares of common stock outstanding. Stocks now being offered to shareholders and the former rights form part of a block of an additional 25,000 shares set aside for purchase by employees. The latter subscribed for 7,410, leaving a balance of 17,590 shares.

The stock offered to shareholders is that mentioned in The Financial Post of last week as having been authorized by the directors to be sold to Power Corp. of Canada at $12 a share and the listing of which on the Montreal Stock Exchange was requested by the company.

It is understood that the block of 7,410 shares subscribed for by employees on May 31, 1930, became fully paid up at the end of July last.

COCKSHUTT PLOW SEEK ALL SHARES FROST AND WOOD

Offer of Share Exchange Made to Minority Shareholders

From Our Own Correspondent

MONTREAL. — Cockshutt Plow Co. has offered minority shareholders the right to exchange Frost and Wood shares for Cockshutt Plow shares, on the basis of one share of Cockshutt common for two shares of Frost and Wood common. This offer holds good up to noon of September 30.

For many years past, Cockshutt Plow has been a large shareholder in the Frost and Wood enterprise. Through acceptance of the offer, two of the largest implement manufacturing businesses in Canada, combined net assets of which amount to nearly $15,000,000, will be brought together.

Only Common Stock

Under the present plan the combined companies will have no bonds or preference shares outstanding; a total of 300,688 Cockshutt Plow no par value common shares being issued on completion of the transaction.

Col. Cockshutt remains as president of both companies. J. E. Ruby will remain as vice-president and general manager in charge of the Frost and Wood business and at the same time becomes assistant to the president of Cockshutt Plow Co.

Cockshutt Gives Views

In commenting upon this development which makes Frost and Wood a subsidiary of Cockshutt, Col. H. Cockshutt had the following to say:

"Personally I have complete confidence in the future of this country and in our manufacturing organization, as this latest step indicates. Frost & Wood Co. and Cockshutt Plow Co. have worked together in fairly close association since 1909 and we have gradually purchased stock in the former until at the present time Cockshutt Plow ranks as the largest individual holder of Frost & Wood shares. Our interests have become so interwoven that the demands consequent upon the development of the business have made it necessary to consider and formulate new policies with regard to the conduct of the two concerns.

One Executive Control

"Naturally there are a number of important adjustments to be made which will require consideration. For the time being we may continue to operate the two organizations but they will function under the control of the combined executive of the two companies and certain economies are scheduled to go into effect at once. For instance, our foreign business has been developed independently by both companies, with the result that, in certain instances, separate agencies have been operating in the same export territory. The new arrangement will eliminate such duplication, effecting a saving in the cost of supervision and leading in due course to the development of new business.

"The new arrangement gives the joint companies and their dealers a complete line of farm implements from the smallest pony plow to the combine harvester and thresher."

SHAREHOLDERS OF POWER CORP. VOTE ON BY-LAW

Reduction of Capital by Over $12,000,000 is Approved

From Our Own Correspondent

MONTREAL.—Common shareholders of Power Corp. of Canada have approved a by-law reducing the value of the company's capital stock by $12,973,375. This was effected by a reduction of the capital represented by the issue of 446,153 shares without par value from the sum of $17,873,375 to $5,000,000.

Action along this line was recommended by the directors inasmuch as $12,973,375 of the capital was lost or unrepresented by available assets. At the end of June, 1932 (the close of the company's fiscal year) the balance sheet showed book investments totalling over $43,000,000. The combined value of these investments on September 30 last was $26,614,916 compared with $21,386,495 at the end of the 1932 fiscal year.

May Show Higher Value

Report for the 12 months ended June 30, 1933, will not be available until the end of this month or early in October. In July last it was stated that the market value of the company's investments had increased to over $30,000,000 as at the end of June, 1933. This being the case the financial statement for the past year will likely show a book equity back of the common shares equal to a new value placed on them by the shareholders.

Earnings of Power Corp. for the past year are not expected to be as large as those reported in the 12 months ended June, 1932. An official statement covering the first six months of the 1933 fiscal year indicated earnings on a basis leaving little or nothing available for the common stock. No dividends have been paid on this security since May 20, 1932.

Winnipeg Grain Prices

Week to August 29

Crop year from Aug. 1, 1933 High	Crop year from Aug. 1, 1933 Low		Open Aug. 23	High for week	Low for week	Close Aug. 29
		Wheat				
.89⅛	.67	October	.71⅝	.73½	.70⅛	.70⅛
.90⅞	.69	December	.73½	.75½	.71⅝	.71⅝
.95	.73	May	.78½	.80	.76⅝	.76¾
		Oats				
.45	.37	October	.39⅞	.40½	.38⅝	.38¾
.45⅝	.36¾	December	.40¼	.40⅞	.38¾	.39
.48½	.37⅛	May	.42½	.42⅞	.40⅝	.41⅛
		Barley				
.55⅞	.41¾	October	.42⅞	.44¼	.41⅞	.42¼
.56⅛	.42¾	December	.44½	.46	.43½	.44⅛
.59¾	.45	May	.47½	.49⅛	.47¼	.47⅝
		Flax				
1.55	1.36	October	1.45¾	1.46⅞	1.40¾	1.40¾
1.54	1.35¼	December	1.46	1.46	1.40¼	1.40¼
1.60	1.40¾	May	...	1.50	1.46½	1.47¼
		Rye				
.62¾	.45¼	October	.51	.56	.51	.52⅞
.64½	.47½	December	.53¾	.58½	.53	.55⅛
.68½	.51⅝	May	.58⅝	.62	.58	.59⅝

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Advocates Discontinuance Of Subscription "Rights"

C. E. Walker, Chartered Accountant, Claims Stock Splits and Bonus Shares Also Contribute Powerfully to Making Investment Issues Speculative

C. E. Walker, C.A., of Kingston, Ontario, in an article in the August number of "The Canadian Chartered Accountant," holds that the element of risk in the field of corporation finance can be reduced to a very marked degree by the discontinuance of the use of stock splits, subscription rights and bonus shares. The highly speculative issues, he believes, would be eliminated from the stock market to a large extent by such discontinuance and the remaining bonds, preferred and common stocks would offer opportunity for investment rather than for speculation.

In order to show the grounds for Mr. Walker's interesting expression of opinion part of his article is reproduced herewith:

Subscription Rights Objective

Subscription rights have in some cases been granted to subscribers for preference shares and also to subscribers for bonds, but the privilege is given largely to common shareholders. The right granted to holders of preference shares and bonds is usually in the form of a "purchase warrant" in Canada.

Subscription rights prove of value to a shareholder when he is able to buy new shares at some arbitrary price well below the market value at the time of issue. Two objects may be considered as influencing directors in granting the subscription privilege to their shareholders, namely,

(1) To raise additional capital in the easiest and least expensive way;

(2) To give a special concession to all intents equivalent to a dividend to their shareholders at the same time that they raise additional capital.

Of the first no criticism can be made if it results in the securing of additional capital "in the easiest and least expensive way." However, in determining the "cost" of money the margin between market price and issued price must be considered. Unless the issued price is very close to the market price very little support can be given to the argument that it is "the least expensive way."

Increases Fluctuation

The criticism of the second practice is that the rights granted to the shareholders though to all intents equivalent to a dividend are not declared as such and are not paid out of earnings. The fact that the number of years between stock issues of any company varies and that the price of issue is not fixed adds speculative features which result in more marked fluctuations in the market price than if shareholders did not anticipate the right being granted with each new issue. Besides, as the new shares issued at the lower price reduce the value of his original holdings, the shareholder is, practically speaking, compelled either to take up or to sell his rights to protect his investment.

A less fluctuating market is found for shares whose purchasers anticipate dividends from earnings only and not through special "concessions." That this fact is being impressed upon the public mind is apparent from the restrictions lately applied to the issuing of subscription rights by two Canadian public utility companies.

Bell Telephone Case

In 1929 the Bell Telephone Company of Canada applied to the Board of Railway Commissioners for the privilege of increasing its authorized capital from $75,000,000 to $150,000,000. The matter of issuing subscription rights was then considered and although the board did not prohibit the granting of subscription rights it declared that all subsequent issues should be made at a price agreed to by the board. The 1929 issue was at $125 on the basis of one new share for each five held. All prior issues had been at par to existing shareholders.

Also in November, 1928, the Ontario Government ruled that the Consumers' Gas Company of Toronto, could not sell additional shares pro rata to its stockholders. New issues of shares since that date have been only by public tender or auction.

Consumers' Gas Experience

Public utilities acquire a franchise which gives them the exclusive right to sell certain services wtihin a particular city or district, the area being always definitely stated in the franchise. They are usually regulated by statute or charter to charge such rates as will yield a dividend not to exceed a stated per cent upon their shares. Public utilities operating under such a franchise can secure new capital at lower cost when subscription rights are not allowed to the shareholders. This statement is substantiated by the experience of The Consumers' Gas Company of Toronto.

In 1907 no subscription rights were granted and a new issue of $300,000 realized for the company $190.66 per $100 share. In 1910, a further issue yielded $199.99. In 1923, subscription rights were granted and $2,000,000 was issued to shareholders in the ratio of one new share for each three held at the price of $135 per share. A further issue of the same amount in 1925 in the ratio of one to four was made at $140 and a third in 1926 in the ratio of one to five at $150. In 1907 the company paid $10 for the use of $190.66, or at the rate of 5.24 per cent per annum. In 1909 investors were satisfied with a yield of 4.9 per cent on their money.

When subscription rights were granted in the years 1923, 1925, and 1926 money cost the company 7.4 per cent, 7.1 per cent and 6.6 per cent for the respective issues. Again in 1929 after the Ontario Government had ruled that further shares were not to be sold pro rata, the public without the inducement of the rights paid $187.64 per share, thus showing that cheaper money can be secured by a company which does not issue subscription rights to its shareholders. When a fixed dividend is practically assured from year to year according to the terms of a company's franchise there can be no just argument in support of the issuing of subscription rights to its shareholders. The consumer should be protected against having to pay an excessive cost for the service offered by the public utility because of its having to pay an unnecessarily high rate for new capital.

A less fluctuating market exists when this speculative feature is removed from the issue of the shares.

Stock Split Increases Speculation

By the use of the stock split the common shares of even the strongest company may become the most speculative issue on the market. To support this statement we shall make a brief study of the methods of financing of one of the leading public utilities in Canada. Attention is called also to the market history of the common shares of this company since 1916.

In 1916 a new company was formed to take over the assets of an earlier corporation and three shares of the new company's stock were issued for each of the stock of the former company. In 1926 each of the shareholders received three common shares and one preferred share of $50 par value for each share previously held. The preferred share was redeemed in cash in November of the same year. The common shares were again split two to one in 1929. Thus, up to 1929 each shareholder of the original company had received 18 shares of common stock of the new company and $50 in cash for each share held in the former company. . . . .

Split Policy Raises Price

Is such a method of financing justified? What factors influence the investing public to purchase such shares? The claim is made that the earnings justify the price paid. It is true that earnings for most years have greatly exceeded dividend payments but the fact remains that the market price is not justified by the book value of the shares nor the earnings of the company. The price is a result of the policy of the company of splitting its shares. . . . .

The fact that the investing public paid a price in 1929 which yielded a return of only 1.33 per cent on the investment clearly shows that purchases are made in anticipation of further stock splits and not because of the yield on the shares. Nor can we say that earnings justified the price since the company in 1929 earned only 2.39 per cent of the market price.

Common Should Be Sound

When the policy of a company is clearly not framed with the purpose of securing money easily or cheaply with which to finance the undertaking, the shareholders benefit at the expense of the consumer. The price paid for the shares is in the confidence that the policy of the company will be continued and that further stock splits will result. This results in a gamble on the part of the investing public and makes the company's common shares a speculative issue instead of a sound investment.

A company assured of fixed earnings and an expanding business could build up adequate reserves to provide a fixed dividend rate in perpetuity and should have no trouble in securing new capital.

From the viewpoint of sound business financing there can be very little support for such a policy. The common shares of a public utility should be approximately as sound an investment as its bonds. A limited dividend should be paid and to ensure its payment regularly, adequate reserves should be built up. Realizing the security behind such an issue, the market demand would ensure cheap money, and there can be no support for a policy of financing which results in extreme market fluctuations because of the speculation on the part of the investors as to what future action may be taken by the company in the interests of its shareholders.

Causes Over-capitalization

If there are lessons to be learned from the depression through which we have passed since November, 1929, one of them most assuredly is that speculative profits have resulted in over-capitalization of companies, the over-expansion of industry and the consequent loss to merchants and investors.

In financing business enterprises the principle must be recognized that investors' dollars are entitled only to a fair return. In the public utility field this return may be justly limited and the distribution of returns in the form of subscription rights and stock splits must be prohibited. The criticism of the existing system must not be levelled at the companies which follow the practices but at the legislation which makes such procedure legal.

Hiding Higher Earnings

In 1914 the capital of a particular company consisted of $100 par value shares on which a cash dividend of 10 per cent was paid. In 1915 a stock dividend of 100 per cent was declared in addition to a cash dividend of 12 per cent. In 1919 the $100 par value shares were reduced to $25 par value shares. These were converted into no par value shares in 1925, four no par value shares being given for each $25 share. Again in 1929 the no par value shares were further split into four no par value shares. Thus each holder of a $100 par value share in 1914 had become the owner of 128 no par value shares in 1929.

Each shareholder of 1914 has received in return for the price paid for his $100 share the sum of $674 in cash dividends and today owns 128 shares which at the present market price (May 30, 1933) are worth 128 times 13½ = $1,680.

The market value of the common shares in 1929 and 1930 was more than five times the book value. Thus we see that the price which the public pays for shares bears no relation to the book value of the shares nor to the dividends paid. Here, too, the shares of one of the strongest financial organizations with enormous earnings on invested capital, it may well be contended, have become a tool of the speculator, who pays a high price in anticipation of the further stock split.

Distributing Excess Earnings

Some further facts are here given to show that the stock split so easily serves the purpose of distributing excessive earnings to a company's shareholders. In 1925 the outstanding shares of a company engaged in the manufacture of so staple a commodity as bread consisted of 12,500 7 per cent preferred shares and 25,000 $100 par value common shares, making a total capitalization of $3,750,000. At a meeting of the shareholders held in 1925 by-laws were passed approving of the conversion of the 25,000 common shares into an equal number of second preferred shares and at the same time creating 25,000 shares of no par value common to be distributed, share for share to the holders of the then second preferred, as a 100 per cent stock dividend. These no par value shares for which not a dollar was contributed to the assets of the company commanded prices during the next four years as follows: 1925, $63; 1926, $95; 1927, $171 and 1928, $170. At another meeting of the shareholders held in 1929 a resolution was passed authorizing the splitting of the no par value shares eight to one and before the end of 1929 these new shares commanded a price of $29 per share or the equivalent of $232 for the former shares. Thus we see that in 1927 the public placed a valuation of $4,275,000 (25,000 x 171) on shares for which nothing had been contributed to the funds of the company. This valuation was further increased in 1929 to $5,800,000 (200,000 x 29).

This device served as a basis of distributing the excess earnings of the company which in 1928 exceeded the dividend requirements of the first and second preferred by $393,387 ($655,887–$262,500) or $15.74 per share of common.

Thus we see that in this particular year the consumers of bread paid a price which earned for the shareholders of the company $15.74 on 25,000 shares for which not a dollar of new money had been paid into the company's treasury.

Then, too, the speculative nature of these common shares is shown by the fact that shares which commanded a price of $29 in 1929 sold down to $1.25 per share in 1932. Also the $100 preferred shares which before conversion sold as high as $105 were quoted in 1932 at $10 per share.

A financial policy by which such a company would charge the consuming public a price for bread which was based on "actual cost," would enable it to pay a fair return on invested capital, build up adequate reserves and thus safeguard to some degree against the depression losses due to falling prices of market securities and staple commodities.

Suspects Bonus Shares

A recognized authority on corporation law and finance recently stated that "the fact that bonus shares are offered to subscribers for the preference shares or bonds of any corporation should make any prospective investor suspicious as to the merits of the issue."

Consideration will be given here only to two issues in connection with which bonus shares and purchase warrants were offered.

The first is that of a public utility which offered its bonds to the public at a price to yield the investor a fair return on his investment. In addition the bondholders were offered five no par value shares as a bonus for each $1,000 bond purchased and also the privilege of purchasing 20 shares of no par value at $35 per share for each $1,000 bond held. The bonds were sold in 1928 and the purchase warrant rights were to be exercised any time during a five-year period beginning October, 1932.

Here we find the inducement offered to the purchaser in the form of bonus shares and the further privilege of buying other shares of the same issue at a "bargain price" of $35 per share at a time when, we may reasonably assume, the promoters believed they would be worth much more than $35 per share.

Something for Nothing

Thus we find a bond issue, by means of this bonus and purchase warrant made a "speculative issue" instead of an investment. What benefit does such a company realize from such a scheme of financing? Who would have benefitted if the shares had proved a "bargain" at $35 by October 1, 1932? These questions need not be answered, but no matter what the future of the company might have been the demand for the bonds was created to some extent at least by the granting of privileges which would yield the investor "something for nothing." These common shares issued as bonus shares were the only class of shares issued by the company. Five of the shares were issued as management shares and the holders of these shares held the entire control over the management of the company.

No consideration was given for these shares, and yet the purchasers of bonds were led to believe that they were acquiring valuable rights through a "purchase warrant" which entitled them to purchase additional shares of the same issue at $35 per share during a stated period of time. Not only were the bonds made a speculative issue, but hundreds of thousands of common shares of no par value also were placed on the securities market, backed with nothing more than a hope that they might prove valuable some day—a further example of the manipulation of an issue of common shares which made it a "speculation with the maximum of uncertainty as to its future value."

In May, 1928, an issue of preferred shares carrying privileges almost identical with those indicated above was placed on the market. It was issued by a leading Canadian firm of investment bankers. Each subscriber for preferred shares was given a bonus of one common share of no par value with each subscription for four shares of preferred. He also acquired the right to purchase one share of no par value for each four of preferred held, at the price of $30 per share.

Were such inducements necessary in connection with the financing of a private industrial enterprise whose history shows it to have been from its early beginnings until May, 1928, one of the most successful enterprises in Canada? As a result of the plan of reorganization and refinancing "worked out," its bonds, preferred shares and common shares of no par value have become "speculative" to the extreme.

Enquiries

St. Lawrence Paper

I hold some shares of St. Lawrence Paper Mills, for which I paid $29 each. Today I see these shares quoted at $3 each. Would you advise me to sell or hold them?

St. Lawrence Paper Mills' operating and earnings position is not any different from that of the other producers, namely, very unsatisfactory. This state of affairs is due to a variety of conditions which have been covered in extenso in The Financial Post over the last three or four years. Just now there is a better feeling existing in the newsprint industry and in the last two months operations have been on a better scale. We are not wholly convinced that the turn has come in the newsprint industry and, on that account, do not advise making commitments in the junior securities of any of the paper companies. On the other hand, we incline to the view that the paper companies have probably seen the worst of their troubles. Market values of the operators' securities, such as St. Lawrence Paper Mills, are very low and probably do not bear a proper relationship to the equity back of them.

Nova Scotia Steel

Would you please advise me if bond interest was paid for January 1, 1933, on Nova Scotia Steel and Coal 5 per cent, 1959, bonds? Previous to this date bond interest was received regularly on this security.

Nova Scotia Steel and Coal Co. did not meet interest on its debentures upon the expiration of the period of grace on January 14 last. In the same month application was made to the courts and receivers appointed to take over the property on behalf of the debenture holders. A group of the debenture holders were of the opinion that the assets of the company could be preserved under the Winding Up Act and to that end the court was asked to appoint a liquidator for the property. In April last D. H. McDougall, former president of the company and Eastern Trust Co. were named joint liquidators of the company.

In April the bondholders of the company met and approved the efforts of the receiver and liquidator toward maintaining assets of the company. At that time the bondholders were informed that operations under receivership from January 19 to March 31 showed a net loss for the period of $56,257.

Loss from coal and steel operations after deducting mining and manufacturing expenses totalled $47,970; shipping and loading expenses, $7,697; selling and administration expenses $11,348.

From the total loss of $67,016 thus formed was deducted $10,760 as depreciation charge through operations written back, leaving $56,257 as the net loss before providing for depreciation, loss on mill operations at Wabana; bond and debenture interest, sinking fund and professional fees and expenses in connection with the receivership.

Sherwin-Williams

My name is not on your subscribers' list but I am one of your regular readers. Under the circumstances you may be willing to give me your opinion as to the outlook for long hold of Sherwin-Williams Paint Co. common.

Paint companies have had their earning power greatly restricted over the last two years, reflecting a decline in industrial and domestic paint activities. The Sherwin-Williams Co., in its position as the largest paint manufacturer and distributor in Canada, has been active in developing markets for its products. Purchasing power has been limited, however, and sales have not been as great as might be expected under more ordinary circumstances. Over a period of a number of years, however, Sherwin-Williams should be able to report to its shareholders a satisfactory earning power. While we are not overly impressed with the immediate outlook for the company, we think that its securities have a place in a well-diversified investment portfolio.

Malagash Salt

I would appreciate any information you have on the first mortgage bonds of Malagash Salt Co. When was bond interest last paid on their 6½ per cent bonds?

In August, 1932, bondholders of Malagash Salt Co. agreed to place the bonds on an income basis, interest to be payable out of net earnings and to be cumulative from August 1, 1932. Interest in arrears was waived and sinking fund payments postponed to August 1, 1935. Provision was made for the protection of bondholders in the event of non-payment of interest for any five-year period from August 1, 1932.

Interest on the Malagash Salt bonds was defaulted on August 1, 1930.

Rackets

•Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Beating "40-hour Week"

THE Quebec Government, having passed legislation whose effect is to limit to 40 hours per week labor in the building industry, now faces complaints that some employers in Montreal are not observing the order in council. The latter are permitting the workmen to put in more than 40 hours a week.

* * *

Rackets Take Thirteen Billions

SENATOR ROYAL S. COPELAND, who heads the senate sub-committee which is investigating racketeering in the United States, says that organized crime costs the United States $13,000,000,000 annually.

Too much praise cannot be given to the thugs for gathering and submitting the statistics at great expense.

* * *

Politicians, Racketeers, Combine

DISTRICT attorneys, senators, wardens and even other politicians agree before the Senate sub-committee in racketeering that there is an alliance between politicians and racketeering in the United States.

Warden Lawes, of Sing Sing Prison, says that criminal gangs are hooked up with politicians. He feels that police could clean up racketeering in 60 days if they had to. He advocated a federal drive against crime which would disregard stat lines and employ military tactics.

Edward Mulrooney, former efficient New York Police Commissioner, and now heading the New York State Beer Control Board, is for flogging and banishing to an American Devil's Island. With reference to this it may be stated that the French Government is now considering quite seriously the advisability of abandoning its Devil's Island as a place for criminals.

George Z. Medalie, U. S. District Attorney, is against an American Scotland Yard. He said it would need 50,000 men to man it properly.

He charges also that gangs are allies of municipal politicians. He says the gangs are strong-arm bravos working with district leaders in New York.

Senator James Couzens, Michigan Republican, charged at Detroit that the failure of Detroit's two national banks was the result of an attempt to make millions without really earning them by a consolidation and merger of banks without the depositors' consent. He charged also that both political parties had favorites and did not enforce the law with equal justice.

* * *

Racketeers All Known

SAMUEL S. LEIBOWITZ, noted criminal lawyer, in speaking to the United States sub-committee on racketeering in New York on August 15, made the following sweeping statement:

"There isn't a detective in New York who couldn't put his finger on every racketeer in the city within five hours if he wanted to or was permitted to. The crook today fears the Federal laws. He is not afraid of the laws of the State. I propose a National Vagrancy Act."

William Fellowes Morgan on the same day stated that if a victim of racketeering went to the district attorney the chances were that he would not get to first base. There is also a good chance that his testimony would get back to the racketeer.

* * *

Milking Cows and Consumers

WINNIPEG FREE PRESS, in its leading editorial of August 12, objects to a new and higher retail price of milk to consumers being arrived at as a result of conference of the producers and distributors at secret sessions with the public utilities board.

It goes on to say:

"What has not yet, perhaps, been grasped about 'control' systems is that they must be of benefit to the consumer or they become a pure racket of which the consumer is the victim."

The Free Press urges that if consumers in Winnipeg are to be asked to pay higher prices, if the milk industry is to be taken over in its production end by local governments, and if the prices of milk are to be controlled by government bodies, the prices to the consumer should be arrived at on the real facts of the situation and not on such considerations as producers and distributors think fit to produce before a government board. The editorial states that in the dairy business two species of animals are commonly milked, the cow and the consumer.

* * *

Liable to Be "Bumped Off"

LEON DEZON, a laundry owner, testifying recently in Brooklyn, N.Y., County Court, in the trial of three men accused of conspiracy in an alleged laundry racket, said "anybody that testifies here is liable to be bumped off." The particular charge against the three accused officers of the Affiliated Laundry Owners' Club, Mellow, Rothenberg and Tollo, was that they had threatened to wreck the Minnesota Laundry Company unless the owner went out of business and returned to the employ of Rothenberg, for whom the former had worked previously.

Dezon said that when he ignored a demand for $80 in "back dues" to the club his plant was damaged by hoodlums to the extent of $2,500. Dezon said he was a member of the Neighborhood Laundry Owners' Association but had not resigned because it was "not healthy to resign." These clubs and associations, he said, employed guerrillas (or gorillas, most call them) "to take care of things."

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ANNAPOLIS VALLEY APPLE PROSPECTS APPEAR EXCELLENT

Other Dominion Fruit Crops Below Standard of 1932

Reports from all parts of the Dominion stress the effect of lack of moisture on all fruit crops, estimated yields of the chief commercial fruits being generally smaller than actual 1932 production. Due to greatly increased apple production in Nova Scotia, however, the estimated yield of this fruit for the Dominion is greater than in 1932. It will be remembered that a disastrous windstorm took a heavy toll of the 1932 Nova Scotia apple crop.

Early months of the season were excellent for the formation of fruit in the Maritimes and parts of Quebec but Ontario has suffered all year from lack of moisture. Drought in July and August hindered the proper sizing of fruits throughout the East. British Columbia experienced a very late season and some loss through frost but since July conditions have been good. While the apple crop will be smaller in B. C. than last year it is stated that the fruit will generally grade higher than last year and better dollar returns should be the result.

Pears, peaches, plums and prunes, and grapes are all estimated in smaller volume than last year, the estimate from plums and prunes and grapes being only about 80 per cent of production in that year. Raspberries have only resulted in a crop of about 70 per cent of last year's volume.

Production of chief commercial fruits, as estimated by Fruit Branch of the Dominion Department of Agriculture, is shown in the following table.

Estimated Commercial Fruit Production

Apples

	Est. 1933	% of 1932	Actual 1932
	bbls.		bbls.
N. S.	1,812,000	172	1,054,500
N. B.	40,000	100	40,000
Que.	220,000	85	258,000
Ont.	1,053,000	115	918,500
	boxes		boxes
B. C.	3,938,000	77	5,118,000
	bbls.		bbls.
Canada	4,488,000	112	3,977,000

Tender Fruits

	Est. 1933	% of 1932	Actual 1932
	bu.		bu.
Pears	434,000	93	466,000
Peaches	818,000	90	904,000
Plums & prunes	222,000	79	282,000
	lbs.		lbs.
Grapes	44,568,000	82	54,100,000

British Shoe Industry Applies for Tariff Hearing

Application for downward revision of duty on boots and shoes has been received by the Canadian Tariff Board from the Boot and Shoe Manufacturers' Association of Great Britain. The brief for the British boot and shoe industry is to be submitted shortly, it is stated.

While Sept. 26 has been tentatively set for consideration of the woollen textile complaints, it is expected that sitting will continue into October and the boot and shoe hearing will come up at that time.

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C. P. A.'s Need Protection Under U. S. Securities Act

American Companies Not Ready to Write These Risks at Present — Investment Houses Also Liable But Insurance Companies Not Interested

The new United States securities act, the force of which has already made itself felt in financial circles, has been viewed with some interest by insurance company men ever since it was recommended by President Roosevelt early last spring for enactment, according to the Eastern Underwriters, New York. Designed to give the security buying public greater protection against loss due to inadequate investment information, the act has put investment houses offering securities issues, certified public accountants and others, under tremendous exposure to liability should it be found that any important facts concerning a new issue are withheld from the buying public.

In fact, under the act any concealment makes promoters of new issues liable to civil damage suits by stock buyers as well as criminal prosecution by the United States.

Insurance Coverage

The question has been raised as to the possibility of some form of insurance coverage which might relieve investment houses of part of their liability under the broad aspects of the act. Far from such a coverage ever becoming an actuality, the companies are not even disposed to protect the liability of certified public accountants, who under the act are held accountable in certifying to the accuracy of accounts of corporations made in connection with the sale of securities. This is despite the fact that one of the largest accounting firms in the financial district recently indicated its interest in getting accountants' liability protection.

Wise company executives have adopted a cautious "wait and see" attitude before jumping into what is decidedly felt to be a hazardous form of coverage. It is recalled that the late Independence Indemnity lost money in writing an accountants' liability policy some years ago which protected C.P.A.'s against claims which might be brought by people who were misled by errors in the accounts certified. Even at that only a limited amount of business was written by that company, certainly not enough to develop experience upon which to base any conclusion as to proper rates.

Companies Not Ready

The American Surety, thought to be the only company now writing the line, went into this field some eighteen months ago. While its experience up to this time has been good the company does not feel that it has been writing the line long enough to tell whether it will continue profitable under the conditions set up by the securities act.

Although appeciating that there will undoubtedly be an increased demand by certified public accountants for the insurance because of the new act the companies queried by the Eastern Underwriter unanimously showed a lack of interest in writing the line at this time. The Employers' Liability, while regarding the coverage as a possibility legally, emphasized that "as a practical matter it will not be indulged in by us at least for some little while."

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Alliance Mining & Securities

Will you please tell me if the Alliance Mining and Securities Ltd. has gone out of existence? Is there any market for its shares?

Alliance Mining and Securities is still in existence. Head office of the company is in the Blackburn Building, Ottawa. A number of companies were merged to form Alliance. It is doing a small amount of prospecting on some newly acquired claims in Quebec. The company has investments, which had a market value of $27,809 as at December 31, 1932. It has bank loans and other liabilities totalling $9,705. Shares are not listed and there is no established market for them, therefore sale is a matter of private negotiation.

Bobjo Mines

What has Bobjo Mines to attract attention? Is the company well sponsored and has it any money?

Bobjo Mines is a well directed, well financed organization by experienced mining men. Principal interest in the company centres about its holdings in the God's Lake Gold Mines formed to develop the company's pioneer find in Northern Manitoba. Work is under way at this property and initial results are most encouraging, but it is too early to appraise its importance. In addition the company holds some 100,000 shares in San Antonio Gold Mines. While the tangible evidence of early income is lacking, shareholders are assured fair treatment by officials of the company.

British Matachewan

What is the present status of British Matachewan Gold Mines? Are the shares ever likely to assume importance?

British Matachewan Gold Mines, Ltd. was incorporated years ago and was promoted by the Sutherlands. About $100,000 was reported to have been spent on the property in the early days without demonstrating that it had outstanding importance. Interest in the area, and in this company's property in particular, has been renewed by gold selling at $30 per ounce and by Hollinger taking an option on an adjoining property. Ventures Ltd., has taken an option on the British Matachewan and intends doing some further work in an effort to determine its importance.

Castle Trethewey Mines

What chances has Castle Trethewey Mines of resuming operations if silver prices advance? What is the outlook for a long profitable life?

Castle-Trethewey Mines is an exceptionally well managed silver property that was forced to shut down some two years ago when the severe drop in silver occurred. It is under the management of the McIntyre Porcupine Mines, and given a return of 50 cents per ounce silver there is every possibility that production will be resumed on a profitable basis. It is not known to have any large amount of ore, but when operations were suspended work was in a most interesting new section. The outlook for profits is directly proportionate to the trend of silver prices.

Greene-Stabell Mines

We would appreciate any information you might be able to give us regarding Greene-Stabell Mines. We would also like to have you opinion of H. R. Bain & Co., the sponsors of the former.

Greene-Stabell Mines is controlled by John E. Hammell. The property, located southeast of Siscoe Gold Mines was partially developed a few years ago and some $500,000 in commercial ore was shown above the 450 ft. level. The property is now being equipped with a 100 ton mill planned for operation this fall. Simultaneously further development work will be undertaken, it being claimed that the formation is similar to the Siscoe Gold Mines and that the ore lost below the 450 ft. level will be again picked up. The investment must be considered as a venture in a well managed undertaking. H. R. Bain & Co. the sponsors of the shares are well regarded and we believe an earnest well directed effort is being made to make a profitable mine.

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Insurance for Buyer and Seller

CRITICIZE FIRE COS. FOR BAD SELECTION DURING PAST YEAR

B. C. Insurance Superintendent Says Lax Methods Unsound

HOPES FOR CHANGES

Depression May Have Resulted in Changing Public from Participating to Non-Par Life Contracts

Fire insurance firms are criticized in the recently issued 1933 report of H. G. Garrett, superintendent of insurance for British Columbia, for their struggle to obtain "volume" during the past few years at the expense of conservative underwriting. In order to secure this volume, Mr. Garrett states, too many companies were over-indulgent in credit and enforcing collection of premiums, which has proved to be unsound in everybody's interest. In the future, he continued, it is to be expected that proper business principles will be practiced.

Mr. Garrett sees the possibility of many changes in the business and selling of life insurance arising out of the depression. The public may prefer more "protection" in the form of non-participating policies to the "investment" type of policy with "profits," and the annuity business promises a big field for expansion, he observes. Mr. Garrett cannot see any justification for the proposal that cash surrender values and loan values of policies should be reduced.

Fire Insurance Problems

Two major problems affecting the business of fire insurance are brought out in the report. The increased "burning ratio" in dwelling houses is stressed with the comment that many of these fires have been of a highly suspicious nature. The large number of scorch claims that have been paid due to cigarette burns is also the subject of comment with the statement that the companies are likely — and quite properly—to refuse payment in the future.

The problem of "free insurance"—that is to say, policies which are written but not taken and finally cancelled for non-payment of premiums—has been the subject of much discussion and thought, Mr. Garrett states. It is admitted on all hands that the question constitutes the greatest evil in the fire insurance business, he continues, but no acceptable solution has yet been found. Unless the abuse can be eradicated, it seems that legislation will be inevitable. It is manifestly unjust, he points out, that any person should be allowed to secure insurance without paying for it, with the result that those who do pay have to be charged a higher rate.

Excerpts From Report

Excerpts from the report follow:

"The business of insurance has during the depression been subjected to a more severe test than it has ever been called upon to face, but the failures have been conspicuously few. In contrast with the banking business in the United States, the insurance companies have weathered the storm in remarkable fashion, though in some cases heroic measures were necessary. Many valuable lessons have been learned, particularly that insurance companies must in the long run depend for profits on sound underwriting in the first place, and only secondarily on the skill with which their funds are invested. That is the principle on which British insurance is based and it will undoubtedly be observed more in the future than it has been in the past.

"The general financial conditions brought to the front the proper method of valuing the securities held by insurance companies. It became obvious that stock exchange quotations were not the true test, at any rate in an abnormal period, and it also became apparent that a method suitable for a fire insurance company is not necessarily appropriate for a life insurance company. The problem has been widely discussed and is not yet settled. For the time being companies may value their securities on a special basis sanctioned by the various Insurance Departments in Canada and the United States.

Strong Life Position

"The figures for life insurance show the effect of the depression, though the comparatively small decrease in both premiums and insurance in force is testimony to the strength and depth of life insurance in Canada. Loans on and surrenders of policies were again high, and it is estimated that 20 per cent of the $300,000,000 of assets of the Canadian companies now consists of loans to policyholders—an increase of 50 per cent in the last three years. In the United States emergency regulations had to be put into force to check the drain of cash due to loans and surrenders. The ratio of lapses was again large; the figures compiled by the Dominion Department show that the amount of lapsed business during 1932 was 55 per cent of the gross new business written and during 1931 nearly 46 per cent. This is the biggest problem facing the companies today.

"Educational training in insurance is coming more and more to be recognized as the first and most important step to improvement in agency standards. It is of great significance that a large number of life insurance agents in the province have obtained the diploma conferred by the Life Underwriters Association of Canada, entitling them to be called 'Chartered Life Underwriters' (C.L.U.). The Vancouver Institute of Insurance is also making splendid progress.

Jurisdiction Problem

"The difficulties regarding the constitutional jurisdiction over insurance have not yet been settled, and the Dominion-Provincial Conference at Ottawa, which I attended last January, failed to evolve a satisfactory solution. Ontario and Quebec, with which British Columbia co-operates, are not content with the present state of affairs and still claim, as was pointed out in my report last year, that the Dominion Department is exercising administrative powers which belong only to the provinces. There is little doubt that these powers will be challenged. Meanwhile the 'Insurance (Temporary Provisions) Act' here and in other provinces has been renewed."

New Westminster Record

The port of New Westminster established a new half-year record for the first six months of 1933. 3[illegible] 000 tons of cargo, valued at some $8,000,000, cleared on 182 deep-sea ships during this period. This is almost a 60 per cent increase over a corresponding half year of 1932.

Business Insurance Helps To Increase Efficiency

Retail Merchant Stimulates Employees' Interest and Increases Profits by Making Them Business Partners Under Insurance Plan

By R. M. HAULTAIN
London Life Insurance Co.
Fourth of a Series of Articles on "Business Insurance"

The three sales clerks in George Merchant's retail store are now making the business earn real profits because George made their interests identical with his own.

To meet today's keen competition he had felt for some time that he needed a definite plan to bring out the best that his assistants had in them; a plan with a business-building incentive that would make them feel they were business men rather than just wage earners; a plan that would focus their attention on earning profits and keep it there even if he were away sick or on a holiday so that he would not worry over how things were going at the store.

The chain stores were putting their unit managers on a profit-sharing basis, could he improve the morale of his men profitably by adopting the same principle?

Here is what he did.

The Merchant's Plan

George, the three sales clerks, and his friend Stevens had dinner together one evening. Over coffee and cigars George got down to business and put it this way:

"Well fellows, I have been thinking a lot about your future as well as my own, and have decided to make you a proposition.

"My idea is to make this business an incorporated company, G. A. Merchant & Co. Ltd. You three and I will be the directors.

"Your wives will get a great kick out of that!"

"One qualifying share of stock will be made over to each of you.

"I have here a written agreement which says that if I die, all the shares in the company will be equally between you three and you will own the company absolutely.

"My estate naturally would not give the business away, but under this agreement it is automatically sold to you for cash on my death as I think it would be more valuable to you than to anyone else.

"This business has a net worth today of $21,000. The cash would be of more use to my wife and family if I died than the business. Also you might not hit it off with my executors or with the man who bought the business from my estate, and you might find yourselves out of a job.

Insurance Contract

"You are probably wondering where you could get the money to buy it. We have made arrangements with the life insurance company that Mr. Stevens represents to supply the $7,000 that each of you would need. The arrangement consists of three policies on my life of $7,000 each. There is no doubt about the money being available as I have passed my medical examination, the insuranse company has accepted me as a risk, and the policies are available if we decide to go ahead with the plan.

"If I am alive when each of you reaches age 60, it is written into the agreement and guaranteed in the policies that there will be $5,000 for each of you, or an annuity if you prefer it, so it is not a case of kill-the-old-man-off to win.

"To finance this plan I will start a special bank account in trust and will pay into it 10 per cent of the dividends declared on my stock each year. This profit-sharing fund will belong to you three equally for the purpose of meeting the premium deposits on the policies that finance our agreement.

"The question is, do you fellows think that by tightening up on wastage, keeping your sales effort from slumping, watching profits, and winning new customers for our firm, you can make the business more profitable than it is now so that the profit-sharing bank account will finance this plan entirely? I am putting it squarely up to you. If you do not think you can, there is no use going ahead with it."

Increase Volume

It was estimated that a 10 per cent increase in volume over last year's sales, plus a saving of $300 a year in wastage would finance the plan.

After a discussion on the pros and cons, George's three assistants were positive that they could make the business earn the profits. They told him that there would be no more carelessness when his back was turned for anyone who got careless would soon get checked up by the other two.

Enthusiasm at the prospect of transition from wage earners to business men was plainly written on their faces. Each man felt that he could not get home fast enough to tell his wife all about it.

George simply applied the old principle of mutuality of interest, the foundation of almost any successful business organization.

And human nature is the same in Athabasca Landing or Toronto.

The agreement between George Merchant and his three assistants was planned round the policies by Stevens the life insurance underwriter in conjunction with George Merchant's lawyer.

Plan Summarized

The objects of the plan were:

A. Development of initiative, sales keenness and profit earning capacity in the employees.

B. Creation of a guaranteed cash market at full value for the business on the death of the owner.

C. Enhancement of credit by notifying the Mercantile Agency that the business insurance plan was in force, guaranteeing the continuation of the business in event of the death of the owner.

The following is a summary of the agreement:

Clause No. (1). Policies No. so and so are for the purpose of providing funds to enable the three named assistants to buy a one-third interest each in the firm of G. A. Merchant and Co. Ltd. on the death of George Merchant. Also to provide each assistant with a retirement fund of $5,000 at age 60 if George Merchant is alive at the time.

Clause No. (2). Defininng the responsibility for premium payments on each policy. Each assistant is to be responsible for the premiums on his own policy.

Clause No. (3). Appointing a corporate trustee to make an impartial valuation at the time of George Merchant's death, to transfer the insurance monies to George's estate and the stock to the assistants.

Clause No. (4). Method to be used in valuing the business at time of death. In this case the trustee is to take a special inventory within 30 days.

Clause No. (5). Whether or not goodwill is to be included in valuation. If so, method of valuation.

Clause No. (6). Method of payment of balance of purchase price if insurance monies insufficient.

Clause No. (7). In the event of any assistant leaving the firm's employ, he is to be entitled to the equivalent of the cash value in the policy on which he is paying the premiums. George Merchant is free to retain the policy on his life if he so desires, and may pay the assistant by borrowing the money on the policy itself.

Clause No. (8). In the event of the company winding up, each assistant is to have the equivalent of the cash value of the policy he is carrying released to him.

Clause No. (9). In the event of the death of an assistant before that of George Merchant, the assistant's estate is to get the cash value of the policy he has been carrying.

Clause No. (10). The agreement to be subject to amendment or voidance at any time by mutual consent.

Clause No. (11). Policy cash values may be borrowed for emergency purposes at any time by mutual consent.

Clause No. (12). George Merchant agrees to bind his executors to transfer all his stock in the company on his death to the three assistants as stated, and the three assistants agreed to purchase the business as stated.

The plan outlined above could be installed without incorporating the business if desired. The lawyer would adjust the agreement accordingly. Incorporation was included in this case for the moral effect on the assistants of their appointments as directors. It was felt that the feeling of superiority over their competitors thus developed would be a valuable asset.

Globe & Rutgers Refused Permission to Restart

As a result of a recent decision by the New York Supreme Court, the position of the Globe & Rutgers remains in statu quo. The court ruled against the application of the company to resume business now, for the reason that the recent decline in security values has cancelled much of the surplus of assets over liabilities.

The court also decided against the application of Superintendent of Insurance Van Schaik's request for permission to sell $10,000,000 additional securities on the ground that such would amount to virtual liquidation of the G. and R.

Thus the company is continued in rehabilitation and no final decision will probably be rendered by the court until such time as changes in the national outlook on business and finance indicate either that the company can safely resume business or should be eliminated through liquidation proceedings. Meanwhile the company will still be under the supervision of the New York Insurance Department.

If it becomes essential to sell further securities of the Globe & Rutgers to meet obligations then permission may be obtained from the court from time to time by separate orders for the sale of limited quantities such as has been done already for a total of about $5,000,000. Officers of the company have consistently opposed any move for a wholesale disposition of investments at the present time.

THE PRUDENTIAL
ASSURANCE COMPANY LIMITED OF
LONDON ENGLAND
LIFE FIRE CASUALTY
Total Assets of all Branches Exceed - - 1283 Million Dollars
Claims Paid Exceed - - - - - - - - - - - 1960 Million Dollars
HEAD OFFICE FOR CANADA DOMINION SQUARE BUILDING MONTREAL
The Largest Insurance Organization in the British Empire
Established 1848

Ontario Fire Loss Smaller in July

Probably owing to some extent to the extreme dryness of the month, there were 61 more fires in Ontario in July than in the corresponding month last year, the total of 1,106 comparing with 1,045 in July, 1932. None of these fires were of any magnitude, however, and the loss at $872,547 is considerably below the $1,301,936 recorded in July a year ago, according to the monthly report of the Ontario Fire Marshal.

Fire at the Jackson Creamery at Simcoe, Ont., having an estimated damage of $86,000 was the largest loss of the month, the only other substantial loss being one of $40,000 due to a fire which destroyed a C.N.R. office and shed at Welland. It is stated that loss in the June fire affecting the Smith Lumber Co. at Callander was underestimated $75,000.

Heavy Gold Shipments Raise Insurance Rates

Heavy shipments of gold from United States to European countries, particularly France, in recent months have resulted in difficulty being experienced in obtaining full insurance coverage, according to British insurance trade journals. It is reported that as high as 25 cents per $100 of coverage has been paid by some companies for reinsurance when they had accepted considerably more than their customary retentions.

Unwillingness to accept more than very small amounts of this business has resulted in companies which had too much accepting these very high rates for reinsurance. Some of this business has been placed direct in the United States at as low as 4½ cents per $100.

It is explained that when gold is transferred from one country to another the movement is generally large and sudden. This causes an excessive demand for insurance facilities and as the lines have to be placed quickly, many underwriters accept large amounts and then seek reinsurance afterward.

Difficulty in placing this reinsurance has caused bids to rise above the normal rate. The principal hazards to which gold is exposed are that of total loss in the event a vessel sinks and general average following a bad fire.

Insurance Inklings

R. H. LECKEY, formerly with the Aetna Insurance Co., has been appointed assistant manager of the Hartford group in Canada.

J. LACHANCE, formerly secretary of the British Colonial Fire Insurance Co., has been appointed manager for Canada of the Rhode Island Insurance Co. of Providence, with offices in Montreal.

A. McBRIDE, of the Eagle, Star and British Dominions Insurance Co., has been appointed joint manager for Canada of the Great American Insurance Co. group.

GEORGE M. BLACK has been appointed Canadian manager of the Preferred Accident Insurance Co. of New York, succeeding the late J. W. Mackenzie.

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE · AUTOMOBILE WINDSTORM
Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00
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Head Office—Wawanesa, Man.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
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WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4616449.70
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Ottawa
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St. John
Halifax
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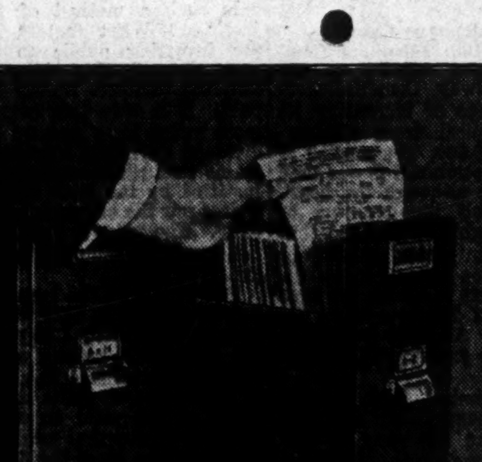

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Bank Chat on Current Topics

What Caused the Depression?

OBFUSCATION that drove Ramsay MacDonald out of the Labor party into the Conservative party was charged against the Treasury Committee on Finance and Industry headed by Lord Macmillan in 1929, in the testimony presented before the Royal Commission on Banking and Currency when it sat recently in Vancouver. G. G. McGeer, K.C., representing the Vancouver, New Westminster and District Trades and Labor Council and the League of Canadian Maples quoted the report of the British Commission as outlining the cause of the depression as follows:

"The fall in the price level (meaning the collapse of prosperity) is the outcome of interaction between monetary and non-monetary factors. The recent world-wide fall in prices is best described as a monetary phenomenon which has occurred as a result of the monetary system failing to solve successfully a problem of unprecedented difficulty and complexity set it by a conjunction of highly intractable non-monetary phenomena."

Said Mr. McGeer: "If that was intended to elucidate I am afraid it only resulted in obfuscating and if you use any language such as that on our Canadian people it might have the same disastrous effect as in Great Britain where it drove Ramsay MacDonald out of the Labor party into the Conservative party and what it might do to Mr. King and Mr. Bennett I do not know. The effects of the Canadian mind might be disastrous and out of all proportion if any language such as that was applied to our conditions and it might cause our whole economic structure to collapse."

Said Lord Macmillan: "This is most salutary for me."

Presumably to extend the salutary effect, Mr. McGeer offered as a contrast "the plain statement of a practical economist employed as an official of the Royal Bank" which appeared in the February, 1932, letter of that bank. This statement was as follows:

"The present depression is usually explained in terms of extravagance, over-production, excessive tariff barriers, etc. In varying degrees these, as well as other contributing factors, produced situations which were essentially unsound; but speaking generally, the controlling influence has been the mismanagement of money and credit. The average price level is determined by the relation of goods and services rendered to the volume of money supply, and the disastrous fall in the general price level would not have occurred had the supply of money been properly regulated."

* * *

Evangelizes Commission

EVIDENCE presented before the Royal Commission has varied greatly, as could have been expected. The briefs presented have come from all classes of the community; college professors have said their say in precisely worded memoranda; manufacturers and agriculturists have laid before the commission cold hard facts; labor has had a voice and representatives of organizations in the West have presented the viewpoints of their constituents. Some of the testimony has been long winded and not particularly helpful to the Commission; some has been pungent in its very brevity. Perhaps the shortest and least useful presentation to the Commission was the testimony of John W. Jones at Victoria. Complete, it runs as follows:

"I am not a banker but I just wish to say that the Lord Jesus Christ died for you and shed his blood for you and invites you to come for salvation. He says the time is short, and he invites you to come."

Staff Changes

The **Bank of Montreal** announces the following staff appointments:

J. W. WALLACE, manager at Westinghouse Ave., branch, Hamilton, Ont., goes to Ridgetown, Ont.

D. T. McGUIRE, manager at North Bay, succeeds Mr. Wallace as manager at Westinghouse Ave., branch, Hamilton, Ont.

J. F. SHAW, manager at Revelstoke, B.C., is appointed manager at Chilliwack, B.C.

H. E. MACDONALD, Lethbridge, Alta., has been appointed manager at Semans.

JAMES H. GILLARD, chief inspector, head office, Montreal, is going on leave of absence shortly prior to retiring on pension.

Jamaica Public Service Earnings Lower in July

From Our Own Correspondent

MONTREAL.—Jamaica Public Service and subsidiary companies report a slight decline in operating revenues during July last. In that month gross earnings totalled $62,619 compared with $63,352 for the same month last year. Net earnings were reduced, while the surplus after all charges amounted to $14,233 as against $16,697 in July, 1932.

Cumulative returns for the twelve months ended July 31, 1933, show a gross income of $794,959 and net earnings of $329,706. After taking care of all prior charges the company had a surplus of $218,178. For the preceding 12 months Jamaica Public Service had gross revenue of $798,172. Operating expenses and other senior charges reduced this amount to $316,320, while the surplus after all senior charges aggregated $207,968 or more than $10,000 less than in the twelve months ended July, 1933.

Weekly Bank Clearings

	Aug. 24 1933 $	Change year ago %	Aug. 17 1933 $
Halifax	1,810,129	+11.6	1,821,370
Saint John ..	1,677,803	+11.1	1,822,059
Moncton	555,574	—2.6	571,479
Sherbrooke .	546,642	—1.7	555,292
Quebec	3,282,428	+2.5	3,572,510
Montreal	67,528,195	+4.4	74,307,128
Ottawa	3,411,104	—7.5	3,784,922
Kingston ...	459,844	—6.9	547,737
Peterborough	514,765	+7.3	548,560
Toronto	77,920,890	+16.1	87,396,811
Kitchener ..	756,092	+3.8	896,348
Brantford ...	604,782	—6.1	633,774
London	2,332,912	+19.0	2,209,912
Chatham	383,804	+6.6	468,416
Windsor	1,764,681	—24.0	2,066,412
Sarnia	330,820	—12.5	347,142
Sudbury	526,763	+18.4	558,040
Hamilton ...	2,956,827	—4.5	3,285,522
Ft. William .	567,890	+14.8	585,557
Brandon	257,784	—16.4	280,180
Regina	2,621,142	+0.6	3,121,959
Moose Jaw ..	929,292	+109.6	436,529
Saskatoon ..	1,067,490	—9.1	1,141,319
Edmonton ..	3,002,762	—16.0	3,312,935
Calgary	4,391,814	—5.8	6,594,470
Medicine Hat	212,402	+33.0	188,461
Lethbridge ..	306,811	+4.0	339,037
N. W'minster	401,805	—2.9	424,089
Vancouver ..	12,592,906	+15.1	13,387,412
Victoria	1,289,260	+10.2	1,519,211
Winnipeg ...	59,688,866	+46.4	98,167,550
Pr. Albert ...	241,331	+10.8	264,618

Current Events in Banking World

West Strongly Urges Need For Central Bank; Lower Interest Rates

Royal Commission on Banking and Currency Heard Evidence for Nine Days in Western Canada — Spends Three Days in Maritimes

MANITOBA WANTS STATE CREDIT CONTROL

Winnipeg Stock Exchange Objects Vigorously to Banks Doing Business in Securities — Majority of Winnipeg Board of Trade Feel Banking Accommodation is Adequate — Loans Exceed Deposits in Prairie Provinces

Investigation by the Royal Commission on Banking and Currency in Western Canada discloses almost universal desire on the part of agriculturists and municipalities for lower interest rates and dissatisfaction on the part of farmers with the short term of loans which are extended for three months with interest compounded on renewal. Completion of western hearings by the commission in Winnipeg on August 25 after sessions in Victoria, Vancouver, Calgary, Edmonton, Regina, Saskatoon and Winnipeg, enabled the commission to jump to the Maritimes for hearings in Halifax, N.S.; Charlottetown, P.E.I., and Saint John, N.B. Final report of the commission will be completed before next session of Parliament.

Opinion in the West was generally in favor of a central bank, stabilization of exchange rates and improvement in the price level. Manufacturers and the grain trade felt that the banks had met their needs for credit in a satisfactory manner. Witnesses in Halifax, however, doubted the need for a central bank.

Central Bank Not Needed

A. B. Wisewell, vice-president of the Halifax Board of Trade, presented a brief on behalf of that body asking that the present banking system be continued. While certain modifications in or additions to the powers of the banks might be necessary, the Board of Trade expressed the view that: "The Federal Government at Ottawa, by keeping in touch with the Canadian Bankers' Association, or heads of the larger banks, is quite capable of providing for the financing of the country, the movement of the crops and to meet any emergency which may arise from time to time."

The view was expressed that expense of setting up a central bank would outweigh the benefits to be derived from its creation, but Lord Macmillan suggested that a central bank would not necessarily be a costly affair.

In addition to the Board of Trade, representations were made by the dry fish industry, lumbering and canning interests, the banks and the Canadian Export and Import Trading Company. Albert Mathews, president of the latter company, protested against high interest rates on farmers' loans and the demand for excessive security by bankers. "The bank should have sufficient security for its loans, but it should not be permitted to take everything but the 'roof' as at present."

As The Financial Post receives the official transcript of evidence presented before the commission this will be briefed and presented to our readers. Each session of the commission will be presented as fully as possible.

B. C. Presents Brief

The Royal Commission on Banking and Currencies held its first Western hearing in Victoria on August 14.

The British Columbia Government, represented by Premier Tolmie, asked the commission to discuss and examine several questions. The brief asked if money was being made available by the bank for such operations, undertakings and developments as are legitimate and appear reasonably sound, and if not, what is hindering the advances of capital? Could these hindrances be removed and how? It was stated that as an example berry growers in the province could obtain no loans from the banks several years ago, and advances were made by the Government and operations carried on were a financial success.

It was asked if money is being made available by the banks to industry in sufficient quantity to ensure success. If not, what are the obstacles and can such obstacles be removed. It was pointed out that it is very unsatisfactory for an undertaking to be financed until it might be within reasonable reach of success and then find resources cut off. It was asked whether money was being made available by the banks without unnecessary delay and if not what are the reasons for the delay and can these reasons be removed? It was further asked whether money is being made available at a rate of interest that the undertakings can pay and still be successful.

Are Interest Rates Too High?

With regard to provincial finances, the commission was asked to consider whether banking or other financial institutions are exacting excessive rates of interest for money loans in the province. If this is so, what is the justification? It was asked whether a method could be devised whereby the provinces generally could obtain money for certain essential purposes directly from the Federal Government more advantageously than they do at present. The commission was also asked to recommend as to whether, in the case of British Columbia the settlement on the arable lands of people who would cultivate such lands for the purpose of making a living would tend to strengthen the financial standing of the province.

Bank Position Stated

Mayne D. Hamilton, superintendent of British Columbia branches for the Canadian Bank of Commerce and representative of the Pacific section of the Canadian Bankers' Association stated the viewpoint of the banks. Mr. Hamilton discussed some of the problems encountered in financing the varied industries of British Columbia and gave a picture of the industrial position of the province. He stated that it is not customary for the banks to finance the purchase or carrying of standing timber and that the banks could only be expected to find working capital for timber operations to the extent where it is reasonably possible to liquidate such loans annually without impairing the efficiency of the operations so that when seasonal stepdowns arrive the loans will liquidate naturally from the marketing of products. The financing of saw mills does not present the same difficulties. The banks make advances against railway ties which are hauled to the railway siding and have been accepted by the tie inspector for the railways. Financing of brokers buying timber from the mills and selling it to lumber yards on the Prairies and Eastern Canada is mainly cared for by time drafts on the purchaser.

Credit Used in Export Trade

Agriculture, the second industry of importance in the province, is financed by the banks who loan to individual farmers, but in the fruit growing districts, the co-operative organizations of stores are an important feature. Assistance to the mining industry is limited. In the fishing industry, the individual fisherman is usually under obligation to the canners taking his products, for boats, and nets, and credit is mainly confided to the manufacturer. Banking credit is largely used in the financing of grain exports as well as the extensive and growing lumber export trade much of which is against letters of credit from foreign purchasers, providing for payment on presentation of draught and documents in New York and London. Financing of the growing import trade is also provided. Financing of the retail trade is limited to quite temporary advances, pending collection of monthly accounts. The position of the retailers is similar to that in other parts of Canada and the need for extending monthly credit to many customers and the lack of working capital by so many small storekeepers renders it necessary for the wholesalers, to whom the retailers are so largely indebted, to carry such retailers and banking accommodation is limited. The country merchants often extend credit to homes and frequently carry such accounts for very much longer terms than could safely be granted from the loanable funds of the bank.

Questioned by Lord Macmillan, Mr. Hamilton stated that the case mentioned by the British Columbia Government where strawberry growers failing to secure credit from the banks was an instance of where a co-operative association did not hold ownership of the goods and the bank could, therefore, not loan under section 8 of the Bank Act. The bank offered to loan the necessary funds under the Industries' Act with the guarantee of the British Columbia Government but this guarantee was not forthcoming, and the Government advanced funds to the co-operative direct.

Loans Must be Short

Lord Macmillan asked as to whether banking institutions, at the moment, with the facilities at hand are able to assist enterprises to the extent they may want to assist them or are there difficulties encountered in their daily practice which prevent them from doing what they would otherwise be able to do. Mr. Hamilton stated that the character of the funds the bank had to lend are of a demand nature and not time funds and must be kept ready at all times. This hampers the banks in granting long term loans. In respect to working capital, he stated that it is in general the practice for bankers to finance between the peak of the requirements of the growing industry and the low point requirements where the goods are down to the lowest stages of the year, aiming always at annual liquidations. That has been one of the fundamental aims so that at least once a year the banks can count on that money coming back from that particular industry so that that portion of working capital is limited by fixed amounts between the peak and the low.

Most Loans Are Small

Asked by Mr. Brownlee, as to whether the banks have any authority established in British Columbia for the purposing of passing bond loans up to a certain amount, Mr. Hamilton stated that such a question should preferably be answered by head office but certain information had already been made available on this subject in the annual statement of his bank. He stated that the Canadian Bank of Commerce had roughly 150,000 borrowers, 85 per cent of which have loans of $1,000 or under. Any manager of the bank can loan up to $1,000 without asking their superintendent so that as regards 85 per cent of borrowers, the refusal of a loan is dependent upon the attitude taken by the manager. Ninety-six per cent of loans are for $5,000 or under and these come within the discretionary limits of the superintendent. In excess of $5,000, it is necessary to refer to headquarters in Toronto. In the case of loans, beyond the jurisdiction of the superintendent where it is necessary to have an immediate decision, the particulars of the loan are telegraphed to head office including the purpose of the loan, the source of repayment, what the banker knows of the securities and the people behind it and their experience with them together with the recommendation of the manager and an answer is received from head office over night. In the case of loans under $1,000 every local manager, even of the small branches in the city has the power to refuse or grant credit up to that amount. In the towns, the power of the local manager varies according to local needs. In a town of 2,000 or 3,000 inhabitants the manager may have jurisdiction up to $5,000.

Victoria is Satisfied

Mayor Leeming, of Victoria, stated that the relation of the city with its bank, the Bank of Montreal, had been satisfactory. The city is paying five per cent on its bank loan, having previous to May, 1933, paid 5½ per cent. Taxes are hypothecated to the bank to repay this loan and are deposited from day to day as they come in. The mayor stated that Victoria had a funded debt of about $17,000,000 with about $4,000,000 in the sinking fund. Bonds are largely held in Eastern Canada and in London and around $4,000,000 to $4,500,000 are payable in New York funds.

Wants Bank in Orient

Mr. Tisdall, of the Duncan Chamber of Commerce presented the resolution of that body asking the Government to take steps to establish a bank in the Orient so that direct financial connection may be made between Canada and the Far East. If such a branch is not opened, the Government is asked to permit one of the existing British banks in the Far East to establish branches in Canada without restriction. Mr. Tisdall thought it extraordinary that there was no direct financial connection between Canada and the Orient and stated that the only important currency that is not known in the Far East is the Canadian dollar. Drafts are usually drawn on foreign banks. He stated that if there is going to be any great increase in Canadian trade, the banks must have branches established all over the Orient, not only in China and Japan but in India.

M. B. Jackson commented on the Industries' Act. He felt that the broad tendency in Canada is for the accumulated savings of the people which are on deposit with the banks to be at once dispatched to headquarters with the result that this capital is hoarded at or near head offices of the banks which practically means in the vicinity of Montreal and Toronto. Mr. Jackson stated that it is not so simple as Mr. Hamilton suggested to get satisfaction by applying to bank headquarters for large loans. He had found many apparently desirable and deserving enterprises connected with the natural resources of the country which had been denied credit. He suggested a re-zoning of the credit and lending facilities of the people of Canada. This would release capital more in the localities from where it originates than would concentrating capital at the head offices of the banks.

Robert Cassidy proposed that in each province there be established at least one branch bank having the majority of its capital stock always in the control of residents of the province with the object of de-centralizing credit control. He also suggested that lending money abroad for foreign purposes or activities be prohibited. He considered it extremely dangerous that the Canadian banks have the power to issue notes.

Municipalities Want Lower Rate

William Crouch, president of the Union of British Columbia municipalities representing 67 municipalities in the province, stated that the Union had no real cause of complaint regarding the banks. In several cases, however, the municipalities had not been able to get from their bank any loan whatever to finance their relief during the two or three months interval that must elapse before cheques are received from the Dominion and provincial governments which financed two-thirds of the work. He believed that interest rates were too high and said the municipalities that he represented were charged 6 per cent on bank loans.

Hearings of the Royal Commission were held in Vancouver on August 15 and 16 following an address of welcome by H. R. McMillan, president of the Vancouver Board of Trade who said that the Vancouver Board of Trade had no brief to present before the commission.

Industry Represented

J. D. McCormack, president of the British Columbia Lumber and Shingle Manufacturers' Association outlined the difficulties through which members of that association were passing. He stated that his experience with the Canadian banks, dating from 1910 has been satisfactory. He said that members in his association dealt directly with exporters and were not dealers in exchange. Members secured loans under section 88 of the Bank Act on manufactured stock.

Milk Producers Pay 8 Per Cent

A. H. Mercer, representing the Fraser Valley Milk Producers' Association, a co-operative organization, stated that the experience of the association with the banks had been satisfactory. Necessary credit had always been obtained without any difficulty although the association possibly suffered at times from paying more for accommodation than some of its competitors in foreign countries. The association handles all types of milk products and exports approximately 15 per cent of its production to Great Britain, India, China, and some South American countries. The association has paid six per cent interest for the last six years without any change. Foreign trade is conducted with short term drafts drawn on agents abroad and rate of exchange is secured from the Canadian banks. Membership in the association numbers approximately 3,500. Cost of banking accommodation to individual members is around eight per cent.

Austin Taylor, who is interested in the financing of mines, stated that out of 1,500 prospects examined, work had been done on approximately 10 per cent and that one mine of reasonable promise was found. If the banks were to assist in the development of the mining industry as a whole by lending money on prospects, he did not think that the Bank of England had enough money to meet the needs of the average prospector or promoter. Financing is done privately in the first instance and if the property is successful, the company is financed publicly. Mr. Taylor stated that there were a great many properties in British Columbia that could operate on 50-cent silver.

Fishing Industry Hit

Al Hager, representing the canned salmon section of the Canadian Manufacturers' Association, stated that in his experience, section 88 of the Bank Act had functioned satisfactorily. The interest rate charged by the bank had been six per cent without variation for 25 years. Banking accommodation had always been afforded promptly and without delay. Mr. Hager stated that collapse in the food industry during the past two years had been extremely serious and the fishing industry in British Columbia had had its full share of the depression.

A substantial export business was done in competition with Japan and Russia. Seventy-five per cent of the business is export business, largely to the Untied Kingdom. Up until three years ago, France was the largest importer but in the last three years, Japan had a preference in that market. Since the new Canada-France Treaty had come into effect, Canadian packers were under a quota on terms with Japan in the French market and the first result was a movement of 75,000 cases about two months ago. Export business is done on a cash basis with banks discounting bills at sight. Mr. Hager stated that in 1930, there was a normal pack of canned salmon in British Columbia but the 1931 pack was 30 per cent under and the 1932 pack 45 per cent under the 1930 total. As a result, the industry had been able to liquidate the 1930 and succeeding packs. Value of the salmon pack in British Columbia was given at approximately $20,000,000. Position of the producers had been improved since the Canadian dollar has been more on a parity with the British pound.

Propose Central Bank

Dr. W. A. Carrothers, professor of economics at the University of British Columbia, submitted a brief memorandum on Canadian banking problems, the joint effort of Professor Carrothers, C. W. Topping, and G. F. Drummond, of the U. B. C. faculty. The brief stated that the two main functions of a banking system in the modern economic world were (1) to assist in control of the price level and (2) control of exchange fluctuations. The ordinary and generally accepted functions of a banking system were stated as (1) acceptance of deposits under certain conditions (2) granting of loans and commercial credit (3) note issue, but this is not a necessary function of a private bank but of the Government. In Canada, the Government has delegated this power to the private banks. It is conceded that the Canadian banks perform the ordinary and generally accepted functions but the motivation behind banking credit policy is that of profit first and public well-being second. As far as the authors of the brief are aware the Canadian banks refuse to admit the main functions mentioned as being essential or, in fact, as being proper functions of banking at all. The authors insist that these functions are now being unintentionally performed by the banks and consequently badly performed.

Bank to be Independent

An attempt by the banks to control price level and fluctuations in exchange would not in itself be sufficient to guarantee the carrying out of these functions in the interest of the well-being of the community in modern business, and centralized control is necessary. The present Bank Act does not empower Canadian banks to set up a central bank and the Finance Act is regarded not only as an ineffectual instrument of control but actually as a hindrance against proper control.

A central banking system would consolidate all of the powers essential to proper control of the banking system and these powers include sole control of currency issues, sole power to rediscount bills must be conformed, sole control of legal reserves, sole power to carry public accounts, sole power to carry balances abroad and sole medium for exportation and importation of capital. Two alternative types of central bank are outlined, the first being a central banking system superimposed on individual and independent banks. This involves the least interference with the existing banking structure and provides for cooperation between private banking for profit and controlled banking in the public interest. Such a bank, however, should be independent financially and administratively from the private banks and in order to attain this position there should be wide powers delegated by the Government to the administration and the administration must, within these powers, be free to act without political or interested interference of any kind. The administrative board should be composed of representatives of the main economic groups of Canada, together with experts in the functions of banking as a whole and in the correlated fields of government finance and trade. The other broad type of central banks is that of consolidation of existing individual banks under private or public control. Such a consolidation would avoid duplication and unnecessary competition, would reduce costs of banking with the possibility of a lower rate of interest and would provide for a centralization of statistics.

Would Stabilize Price Level

A central banking system, given full control over the issuance of credit and currencies, could not ensure that there would be no fall in price level, nor would a contraction of credit and currency always prevent a rise in the price level, but intelligent and cautious control of these two means would tend to reduce the violence and aptitude of price level variation. With the power to hold balances abroad and to control export and import of capital, a central bank would be able to impose policies that were considered in the national interest. A central bank having sole power to carry public accounts would enable a policy of public credit to be adopted due to the well-being of the community and there should be a distinction in the policy governing public credit with that governing commercial credit.

The memorandum emphasizes the inter-relation between banking policies, Government financial policy and trade policy and holds "that centralized control of the banking system is necessary in order to secure co-ordination between these three. The banking system should be looked upon as a public utility and treated as such."

Capital Not Important

Asked by Sir Thomas White if he had any suggestions as to the source of capital to be provided for the central bank, Dr. Carrothers stated that he did not think the question of source is an important one. The amount of capital required would be small. The important thing would be to see that the provision of capital would not be such as to interfere with the independence of the controlling banks. Directors of the bank would presumably be appointed by the Dominion Government.

He stated that the central bank should be free from political interference but that its policies should be in tune with a purely national policy being carried out by the Government. The central bank would have sole control of note issue. He did not feel that the chartered banks would be very much injured by withdrawal of their right of note issue, although it might mean closing of certain branches. The central bank would make loans to the Federal Government, the provincial governments and municipalities while commercial banks would continue making loans to corporations and individuals. There would be a representative of the central body in each of the provinces.

City Wants Federal Credit

G. E. McCrossan presented a resolution from the City of Vancouver to the effect that municipalities in Canada shall have facilities for securing advances on municipal debentures direct from the Dominion Government for temporary financing similar to those facilities given to the banks under the Finance Act. This resolution favored by a number of Canadian cities has as its object the securing of lower interest rates on temporary borrowing on capital issues that have not been marketed. Interest rates on capital borrowings paid by the City of Vancouver were six per cent. Interest at the rate of five per cent is being paid on current loans. It is proposed that, for temporary purposes, the federal treasury board would issue currency to municipalities against the deposit of proved securities. Sir Thomas White said the question might arise at a period such as the present as to what effect on the currency the issues would have if they were taken advantage of widely all over the country. Beaudry Leman stated that advances to the banks under the Finance Act varied widely and would stand at the present time around $50,000,000. He asked how far that amount would go to accommodate the provinces and municipalities and the school boards of the whole country. Mr. McCrossan thought it would go a long way if other municipalities asked for no more than Vancouver would like.

Technocrats Appear

C. M. Woodworth submitted a memorandum to the commission which touched upon prevailing conditions in British Columbia and proposed a central bank and a banking commission which would have plenary powers in all matters pertaining to currency, coinage and credit.

W. M. Mitchell, representing the Society for Technocratic Research submitted a memorandum favoring the establishment of a government owned and operated central bank conducted free from political influence and in the same manner as the post office department and from which bank the subsidiary government of the provinces, cities and municipalities may obtain financial loans on securities at a minimum rate of interest based only on the cost of operation of the central bank. Chartered banks continue to deal with commercial business. The value of the dollar would be based on the index of 502 wholesale commodities now monthly recorded by the government and the dollar would, therefore, represent what it would buy and not a fictitious or self commodity value.

Mr. Manchell stated that no farming community could pay eight per cent interest and survive and H. T. Allen, representing the League for Christian Social Acts presented a memorandum.

McGeer Represents Labor

Evidence presented by G. G. McGeer took up the greater part of the second day of hearings in Vancouver. Mr. McGeer represented the Vancouver, New Westminster and District Trades and Labor Council and the League of Canadian Maples. Mr. McGeer stated that there are a great many problems in the present financial situation that are peculiar to the West; the difference in the rates of interest charged in the West and in the East, the problems of the authority of bank managers in the West and the problem of general interest of bank headquarters resident in Toronto and Montreal in parts of the Dominion so far removed from actual association with the headquarters' powers were mentioned. He believed that much of the criticism of the banking system would be relieved if officers of the banks in the West would deal through a headquarters' organization in the West. He urged that British members of the commission remember that the economy of Canada is not the same as the economy of Great Britain and that a banking system that might serve the best interests of Great Britain might not of necessity serve the best interest of the people of Canada. Lord Macmillan replied that neither he nor Sir Charles Addis had come to Canada with any pre-conceived ideas of the superior excellence of the institutions of Great Britain over the institutions of Canada.

Borrowing Abroad Costly

Mr. McGeer dealt at some length with the report of the committee on finance and industry headed by Lord Macmillan in England in 1929 and went on to picture the difficult position of the Canadian working man today. He claimed that the forgotten man had developed a twin brother in Canada in the form of the forgotten taxpayer and that Canada had to look after the taxpayers as well as the unemployed. He claimed that Canada had blandly gone along borrowing credit in foreign countries payable in gold abroad but had set up no machinery to force protection against the disastrous consequences that must ensue if you insist on borrowing credits abroad that are payable in gold. He claimed that the bulk of Canada's provincial and municipal indebtedness is going abroad and it is because of that condition that British Columbia was in financial difficulties. Mr. McGeer submitted that Canada should provide the means of supplying domestic credit needs at home and individual borrowers, whether government, corporation or individual should be prevented from "impounding any of the wealth of the Canadian people for their loans and foreign credit." While viewing the developments of checking facilities as one of the greatest advances made in the 500 years, Mr. McGeer spent some time in deploring the expansion of credit in Canada. He expressed the opinion that the world was at the parting of the ways and that economic policies must be reconstructed or there would be disaster. Mr. McGeer advocated a reduction in the number of banks and branches and the setting up of an international clearing house whereby the department of International Trade could stop Canadians from buying abroad more than they are selling. This would include tourist traffic and borrowing from abroad as well as trade.

Would Nationalize Banks

Mr. McGeer sponsored the nationalization of public finance but this did not mean the nationalization of private finance. The outstanding governmental extravagance that is the cause of most of our trouble could be eliminated by a national banking system. He asked a report from the commission that would recommend restoration "to the Government of British Columbia of its right to issue its own purchasing power. Delegations of the right to create and issue bankers' notes as money or bank credit as a substitute for money violates every sound theory of responsible government because it transfers from the state to the private interest the wealth of the nation that accrues when money purchasing power is first put into circulation. That profit belongs to the Government as trustee for the people."

Mr. McGeer's brief takes up 162 pages in the official reporter's transcript of evidence given before the commission and took 3½ hours in the telling.

In subsequent issues The Financial Post will continue its summary of the official transcript of the evidence.

Foreign Exchange

FLUCTUATIONS of the United States dollar featured foreign exchange markets in the week ended Aug. 28. Increased open market purchases of securities by the U. S. Federal Reserve System are accounted the reason for a sudden sharp decline of American money in terms of gold during the week. The Canadian dollar followed the decline, but sterling strengthened in terms of both dollar units. It is conceded in the United States that the aim of Washington is still to raise prices, and this is expected to offset the normal fall strength of the dollar.

A new disturbance is hinted in connection with the reischmark. It is said that the Hitler Government in Germany is planning a currency depreciation. Blocking of mark exchange accounts is cited as evidence. The meaning of the move is claimed to be Germany's desire to have its foreign debts reduced. The inference is that blocked exchange would be used as a lever in negotiations on German external debt. Heavy increases have occurred in defaults on German corporation and municipal bonds held abroad, particularly in the United States.

CANADIAN dollars continue to follow sterling and the United States dollar. The pound is still in the vicinity of par in Canada, and this position is considered likely to persist as long as the United States dollar is sufficiently depressed to hold our unit down among the sterling currencies.

American balances held abroad for safety, until the course of the United States dollar is more certain, are reported not to have been repatriated. This is an indication of the scepticism with which informed American business men regard the outlook for their national currency. The money will be returned to the United States when fear of further dollar depreciation disappears. These funds are a potential source of strength to the dollar in the long run.

FOREIGN EXCHANGE

New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
Aug. 22 ..	6 1-16	5 7-8	14 5-8	14 1-8
Aug. 23 ..	6	5 13-16	14 1-4	13 1-2
Aug. 24 ..	5 13-16	5 9-16	13 1-4	12 3-4
Aug. 25 ..	5 1-4	4 11-16	13 1-2	13 3-16
Aug. 26 ..	4 3-4	4 5-8	13 3-16	12 15-16
Aug. 28 ..	5 5-16	4 15-16	....	....

STERLING, FRANCS AND LIRE

Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Aug. 22 ...	4.49 1-8	.0531	.0717 3-4
Aug. 23 ...	4.53 1-2	.0540	.0725 1-2
Aug. 24 ...	4.54 7-8	.0543 1-4	.0729 3-4
Aug. 25 ...	4.65	.0567 3-4	.0767 3-4
Aug. 26 ...	4.63 1-8	.0567 1-2	.0768
Aug. 28 ...	4.54 5-8	.0558	.0758

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Aug. 22 ...	4.77	0.0566	0.0761
Aug. 23 ..	4.80 5-8	0.0572	0.0770
Aug. 24 ..	4.80 7-8	0.0578 1-4	0.0772 1-4
Aug. 25 ..	4.88 1-4	0.0596	0.0805
Aug. 26 ..	4.85	0.0593 1-2	0.0800
Aug. 28 ..	4.75	0.0584 1-2	0.0783 1-8

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Aug. 22 ..	0.3452	0.2022	0.2903
Aug. 23 ..	0.3466	0.2042	0.2900
Aug. 24 ..	0.3500	0.2048	0.2916
Aug. 25 ..	0.3628	0.2125	0.3062
Aug. 26 ..	0.3625	0.2113	0.2919
Aug. 28 ..	0.3564	0.2086 3-4	0.2995

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TOOKE BROS. LOSS ON GROWING SCALE PAST FISCAL YEAR

Trading Deficits Last Three Years Wipe Out Big Surplus

From Our Own Correspondent

MONTREAL. — Trading loss of $139,216 is reported by Tooke Bros. Ltd. for the year ended June 30, 1933. This loss was nearly $30,000 greater than in the previous year.

One of the features of the report was the change which has taken place in the board of directors in the past year. W. M. Weir, Lieut.-Col. C. W. Maclean and H. J. Trihey have resigned. F. J. Knox has been added to the board and W. K. Trower has succeeded Mr. Weir as president.

Wipe Out Surplus

The income account, copy of which follows, shows that in the last three years the profit and loss account surplus of $386,964 has been changed to a deficit of $42,474.

	1933 $	1932 $	1931 $
Gross profit	†139,216	†110,791	40,319
Deprec.	....	....	9,000
	*139,216	*110,791	31,319
Bond int.	15,975	16,008	17,472
	*155,191	*126,799	13,847
Invest. deprec...	13,664	14,750	17,500
	*168,855	*141,549	*3,653
Tax res.	......	......	489
	*168,855	*141,549	*4,142
Invent. loss	......	......	54,935
	*168,855	*141,549	*59,077
Pfd. divid.	......	......	68,950
Surplus	*168,855	*141,549	*128,027
Prev. surp.	117,387	258,936	386,964
	*51,468	117,387	258,936
‡Adjust.	8,994	......	......
P. & L. bal. ...	d42,474	117,387	258,936

†Trading loss.
*Debit.
‡Surplus on purchase of first mortgage 7 per cent bonds and refund of income tax.

The balance sheet at June 30 does not reflect any marked change other than the decline in working capital assets. The total of assets on that date was $1,708,890 compared with $1,863,417 a year ago.

Reduce Funded Debt

Current liabilities do not show much change, while funded debt has been reduced by $11,800. As no depreciation reserve has been set up since 1931, this item shows no change. There is no change in the issued preferred stock while the book value of the common stock has been reduced from $246,250 to $203,776 owing to the deficit set up last year.

Among assets, inventories show a drop of nearly $200,000, while accounts receivable are up over $70,000. Investments have been written down to $22,751, while other items remain unchanged.

Carscallan Township Site of New Gold Rush

Carscallan township, some 15 miles southwest of Timmins, Ont., is the latest scene of a gold rush.

Lying in a sedimentary belt traversing that area it has been largely overlooked until recently the find of a prospector was taken to Alex. Gillies, pioneer of the Porcupine district, who has introduced it to Toronto interests headed by C. A. Gentles. A piece of ore from the property showing spectacular free gold is on exhibit at the Canadian National Exhibition. Preliminary work, it is said, shows a zone some 30 ft. in width has been traced nearly 1,800 ft.

Selected samples have shown amazing values and at the present time an engineer is at the property, systematically sampling the showing to confirm previous results. Upon results of this sampling will rest the decision to form a company to develop the property.

Joins New York Firm

L. F. Rothschild & Co., members New York Stock Exchange, announce that B. H. Porteus has become associated with them, in their Montreal office.

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Associated Telephone Effect Capital Stock Changes

From Our Own Correspondent

MONTREAL. — Associated Telephone and Telegraph Co. has increased its authorized capital common ordinary stock from 1,000,000 no par value shares to 1,500,000 shares of a par value of $1 each. The shares of common or ordinary stock of no par value outstanding on July 12 last have been exchanged into two shares of ordinary stock of $1 par value. As a result, the authorized amount is now 1,500,000 shares, of which 1,038,308 shares are outstanding.

This company has control of various telephone operating, manufacturing, sales and financial companies associated with the telephone industry located throughout the world. Its Canadian companies include British Columbia Telephone Co.; Canadian Rockbestos Products, of Montreal; Eugene F. Phillips Electrical Works, of Brockville; Canadian Telephone and Supplies, of Vancouver and Toronto; Dominion Directories Co., of Vancouver, and the National Telephone and Telegraph Corp. The latter controls the British Columbia Telephone Co., Kootenay Telephone Co., Chilliwack Telephone, Northwest Telephone and Mission Telephone Co. Another Canadian subsidiary is the Varcoe Electric Co., Toronto.

Sees Possible Shortage In Good Beef Cattle

"On a delivery of 3,100 head of cattle to the Toronto Livestock Market," said Garnet H. Duncan, livestock investigator, Ontario Marketing Board, "only 550 of these animals were eligible to make Blue or Red Brand beef.

"Of this number 150 were baby beef, 194 butcher cattle, and 206 heavy cattle. Of the 206 heavy cattle, 250 were exported, bringing good returns to the producer.

"If such a state continues, in view of the decided consumer preference for graded beef, it is quite possible that the demand will far exceed the supply in the near future."

Utilize Waste Gas

At present the new Royalite absorption plant is extracting about a quarter of naphtha per thousand cubic feet of waste gas, 80,000,000 cubic feet of which is being run through daily with a saving of 571 barrels a day. About 160,000,000 cubic feet of gas is being produced daily in Turner Valley exclusive of that now being processed.

Open Fort William Office

Hallet, Carey, Swart Ltd., Winnipeg grain brokerage firm, has opened a branch office in Fort William.

Canadian Western Lumber

June	1932 Feet	1933 Feet	Increase Feet
Lumber mfd.	10,035,479	10,718,200	682,721
Lumber sold	9,465,477	13,875,800	4,410,323
Price realized	$131,795	$169,032	$47,237
Aggre. mfd.*	52,222,233	57,352,116	5,129,883
Aggre. sold*	40,010,510	57,814,962	[illegible]
Price realized*	$614,248	$679,996	$65,748

*From Jan. 1 to end of June.

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Oils and Golds Increase September Dividend Total

Dividend payments by Canadian corporations will total $14,271,323 during September which compares with payments of $16,049,340 in the corresponding month of 1932 and $19,187,000 in 1931. Dividend payments by Imperial Oil Co. and International Petroleum account for more than half of September disbursements. Lake Shore Mines, Hollinger, Consolidated Gold Mines, Imperial Tobacco and six banks contribute most of the remainder.

Changes in dividend rate are not numerous. Acadia Sugar Refining Co. is paying 3 per cent on the 6 per cent preferred stock which will reduce dividend arrears to 15 per cent. Previously this year, two dividends of 2½ per cent each have been paid. Dividend of International Petroleum has been increased to 28 cents from the previous quarterly payment of 25 cents in U. S. funds. Sylvanite Gold Mines is paying a special interim dividend of 2½ cents per share in U. S. funds and Hollinger Gold Mines Consolidated is paying an extra dividend of five cents per share. Buffalo Ankerite Gold is paying an interim dividend of 2½ cents per share.

Dividends announced for payment during September, as compiled by The Financial Post, are as follows:

Summary of Payments

Dividends	$14,271,323
Bond interest	21,516,985
Total	35,788,308

Dividend Payments

Company	Rate	Date	Amount
Acadia Sugar pfd.	15c†	1	45,000
Bk. Can. Nationale	2½q	1	175,000
Bank of Montreal	2q	1	720,000
Bank of Toronto	2½q	1	150,000
Belding Corticelli pfd.	1¾q	15	15,143
Canada Vinegars	40cq	1	36,800
Can. Bk. of Commerce	2q	1	600,000
Can. Hyd.-Elec. 1st pfd.	1½q	1	187,500
Crow's Nest Coal	$2*	1	124,252
East. Theatres c.	50cq	1	16,000
Ham. Un. Theatres pfd.	1¾q	30	13,787
Hollinger Gold	5c+5c	9	492,000
Imperial Oil	12½cq	1	3,347,886
Imperial Tobacco	8¾cq	30	826,965
Do., pref.	3s	30	240,900
Inter. Milling pfd.	1¾q	1	61,526
Do., "A" pfd.	1½q	1	13,767
Inter. Petroleum	28cq	15	4,010,744
Do., pref.	28cq	15	56,000
Lake Shore Mines	50cq	15	1,000,000
Laura Secord	75cq	1	43,125
Loblaw Groc. 'A' & 'B'	20cq	1	167,605
McColl Fron. c	15cq	15	75,000
McIntyre Mines	25cq	1	199,500
Do., extra	12½cq	1	99,750
Do., extra	12½c	1	99,750
Merland Oil	5c*	15	48,517
Montreal Cottons pfd.	1¾q	15	52,500
Montreal Loan	3q	15	18,000
Nat. Sewer Pipe 'A'	60cq	15	16,983
N. S. Light & Pr. pfd.	1½q	1	18,750
Ogilvie Flour pref.	1¾q	1	35,000
Provincial Bank	1½q	1	60,000
Rolland Paper pfd.	1½q	1	22,500
Royal Bank	2q	1	700,000
Royalite Oil	50c	15	270,000
Sylvanite Gold	2½c*	30	82,487
Walker-Good. pref.	25cq	15	128,586
			14,271,323

* Interim. † Includes 7½c on account of arrears
q—Quarterly. s—Half-yearly.

BOND INTEREST DUE IN SEPTEMBER

Company:	Rate	Date	Due	Amount
Ad. Beatty Hotel	7	1	1944	$ 21,000
Adel. Shep. Bldg.	7	15	1948	28,000
Bawlf Ter. Elev.	6½	1	Serial	7,475
Bell Tele. 'A'	5	1	1955	750,000
Brit. Amer. Oil	5	1	1945	116,050
B.C. Elec. deb. stk.	4½	30	Perp.	287,355
B.C. Power 'A'	5½	1	1960	275,000
Do., 'B'	5	1	1960	100,000
Can. Bakeries	6½	1	1945	22,499
Can. Nat. Rlys.	4½	15	1954	585,000
Do.	4½	1	1951	1,125,000
Can. Nor. Ont. 1st mtge.	3½	30	1936	137,547
Do., deb. stk.	3	30	1958	140,398
Do., deb. stk.	4	1	1934	341,206
Can. Pac. Rly.	4½	1	1946	450,000
Do., convert.	6	15	1942	375,000
Dom. Textile	6	1	1949	145,110
Goodyear Cotton	6	1	1949	40,545
Gt. West. Sadd.	6	1	1948	18,255
Gypsum Lime 'A'	5½	1	1948	99,453
Hermes Bldg.	6½	1	1942	18,609
Hillcrest Coll.	5	1	1940	8,125
Hotel Victoria	6	1	Serial	7,800
Inter. Waterways	6	1	1937	2,855
Inter. Power	6½	1	1957	97,500
Interlake Trans.	6	1	1943	4,035
Legare, P. T.	6	1	1947	29,793
Lindsay, C. W.	6	1	1958	27,000
Mersey Paper 'A'	6	1	1949	58,995
Mtl. L.H. & P. 'B'	5	1	1970	286,312
Northern Tele.	6	1	1948	4,740
N.B. Power	5	1	1937	43,500
N.S. Shipping	6	1	1943	3,195
Ontario Bldg.	6½	1	1943	26,000
Peel St. Rlts.	6½	1	Serial	16,250
Pwr. Corp. 'B'	4½	1	1959	218,187
Prov. L. Heat	5	1	1946	21,725
Stand. Lime	6	1	1944	17,220
Silverwood's	7	1	1937	5,106
Toronto Carpet 'A'	6	1	1944	22,275
Trail Apts.	6	1	1947	1,200
Un. Amuse. 'A'	6	1	1942	40,704
Viceroy Mfg.	6½	1	1950	9,067
West Koot. Pr. 'A'	5	1	1956	162,500

Corporation bonds	6,192,086
Municipal	3,806,670
Provincial	4,407,990
Dominion	7,110,239
	21,516,985

Vancouver Given New Costs Data Power Projects

From Our Own Correspondent

VANCOUVER.—This city is still investigating the possibilities of developing its own hydro-electric supply and surveys carried out during the present summer have brought out new facts concerning the project.

At an expenditure of $4,203,900 it might be possible to yield 50,000 installed horsepower of an estimated cost of $84 per horsepower, according to the city's figures.

Subsequent addition of plants at Cheakamus, McGuire, Brandywine, Cheakamus Canyon and Daisy Lake would bring the total expenditure to $23,959,870, to develop 220,000 horsepower at an estimated $109 per horsepower.

These figures are based on surveys carried out under E. A. Cleveland, commissioner for the Greater Vancouver water board.

If the city went ahead with this scheme the B. C. Electric Railway, which at present holds exclusive franchise for power production in the Vancouver district, would be affected materially. However, the project is still a long way from materialization.

"It cannot be too strongly emphasized that many factors in the problem are not at all or very imperfectly determined," stated Mr. Cleveland, in a report to the city.

Canada Northern Power Earnings Larger in July

From Our Own Correspondent

MONTREAL.—Canada Northern Power Corp. reports a further gain in earnings during July. Gross income amounted to $299,895, an increase of $19,607 over the same month a year ago. There was a slight increase in operating expenses, leaving net income of $208,426 for July, 1933, compared with $190,449 for the corresponding period last year.

Cumulative returns for the first seven months of 1933 showed gross income of $2,087,171, against which operating expenses of $632,174 were debited, leaving a net income of $1,454,997. For the corresponding period of 1932 the company had a gross income of $1,994,485, expenses of $621,451, and a net income of $1,373,034.

Maritime Telephone Toll Traffic Up; Fewer Stations

From Our Own Correspondent

MONTREAL. — Maritime Telegraph and Telephone Co. reports a net loss of 162 in the number of stations installed at the end of July, 1933, compared with those reported at the end of the preceding month. The number of stations operated by the company at the end of June amounted to 38,147 as against 37,985 at the end of July.

Toll traffic handled by Maritime Telegraph and Telephone in July exceeded the traffic in any previous month this year, although somewhat below July of last year. The number of calls reported by the company was 113,323 of which 106,018 were completed, or a percentage of 93.5. This represents about 98.7 per cent of the month's toll business.

Sound Management For Sound Insurance

For 49 years, through major disasters and economic upheavals, this Company has adhered to its original sane, conservative business policies . . . providing unfailing security for policyholders and prompt settlement of claims.

Reinsurance through Lloyds of London, England, and a deposit with the Federal Government are still further security.

THE PORTAGE MUTUAL INSURANCE CO. MUTUAL SERVICE WITH SECURITY
Est. 1884

The PORTAGE LA PRAIRIE Mutual Insurance Company
Portage la Prairie, Man.
Fire - Automobile - Burglary - Windstorm - Plate Glass - Sprinkler Leakage
TORONTO VANCOUVER EDMONTON MONTREAL
61

5 STOCKS BEHIND THE MARKET

Don't miss The Financial World's analysis, "5 Low Priced Laggards." Send only $1 for this carefully selected list of profit prospects (each stock analyzed), together with our 4 next issues; also the current copy of our 48-page Stock Rating and Data Book covering 1,300 stocks; also "10 Stocks To Be Held For Recovery," "Three (balanced) Security Programs," "A New Basis For Selecting Stocks" and "Sound Investment Rules." Return this "ad" with $1.

The FINANCIAL WORLD
America's Oldest Investment Weekly
53 (F.P.) PARK PLACE NEW YORK

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING AUGUST 28

Range 1933 High	Low	Divd. Rate in $	Yield in % Aug. 26		Sales	Close Aug. 21 (or last)	Week Ending—Aug. 28— High	Low	Close
				A					
4	½	.	...	Abitibi	3290	1½	2¼	1⅞	2
10	1	.	...	Do. pref. 6%	435	6	6	5½	6
x80	80	7	...	Acme F. D'y p	....	..	..	..	..
8	4	.	...	Agnew Surp.	170	7½	7½	7½	7½
65	57½	7	10.8	Do. pref.	....	65	..	..	..
10	3¼	.	...	Alta. Pac. Gr.	100	6½	6¼	6	6
40	20	.	...	Do. pref.	55	32	30½	30	30
x3½	1½	.	...	Amal. Electric	....	..	..	..	..
10	3	.	...	Do. pref.	....	8½	..	..	..
x3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
1.00	.15	.	...	Asbestos	135	.75	1.00	1.00	1.00
.75	.50	.	...	Do. pref.	....	.75	..	..	..
15	3¾	.	...	Assoc. Brew.	60	13	13	12½	12½
80	65	7	8.7	Do. pref.	....	80	..	..	..
x3	3	.	...	Assoc. Can.	....	..	..	..	..
†69	65	.	...	Assoc. Tele.	....	..	..	..	..

Range 1933 High	Low	Divd. Rate in $	Yield in % Aug. 26		Sales	Close Aug. 21 (or last)	Week Ending—Aug. 28— High	Low	Close
102	77	7	7.5	Huron & E. M.	15	92½	93	92½	93
18	12¾	.	...	Do. 20% pd.	....	15	..	..	..
10	6	.	...	Hydro-Electric	....	10	..	..	..
				I					
185	128	10	6	Imperial Bank	82	169	170	165	165
16	7⅛	50c	3.5	Imperial Oil	15739	14½	14⅜	14	14⅜
11	7	35c	3.2	Imperial Tob.	2100	10	10⅜	10	10¼
†80	80	8	...	Inter. Coal, p.	....	..	..	..	..
b13¼	2½	.	...	Int. Hyd. E. A.	10200	9	9½	8½	8⅝
105	98	7	6.8	Inter. Mill. pf.	....	102½	..	..	..
90	84	6	6.7	Do. Series A	....	90	..	..	..
23.25	8.00	.	...	Inter. Nickel	70388	21.10	22.15	20.80	22.00
x4	4	.	...	Inter. Paints	....	..	..	..	..
b10	½	.	...	Int. P. & P. A	1600	6	6	5½	5⅝
b5⅝		.	...	Do. (B)	400				

x Quotations for 1932. No sales recorded in 1933 to date.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
* Stock dividend.
* Plus final dividend of 17½c. paid Mar. 31.
* Covers payment due Jan. 3 last and deferred; paid Mar. 15.
* See "Unlisted Stocks" also.
§ On arrears.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
August 29, 1933

Industrial Stocks	Bid	Asked
Acadia Sugar com.	.70	1.10
Acadia Sugar 6% pfd.	3.60	....
Acme Farmers Dairy 7% pfd.	50.00	60.00
Agnew Surpass 7% pfd.	65.00	70.00
Allens London 7% pfd. bonus c.	33.00	....
Allens St. Cath. 7% pfd. bonus c.	33.00	45.00
Allens Toronto 7% pfd. bonus c.	21.00	....
Andian National U. S. funds	25.00	28.00
Atlantic Sugar A pfd.	75.00	84.00
B. C. Pulp & Paper pfd.	6.00	9.00
Burns pfd. bonus com.	6.00	9.00
Canada & Dom. Sugar	31.50	33.00
Canada Mach. c.	3.00	6.00
Canada Mach. pf.	20.00	....
Canada Packers c.	30.50	32.00
Canada Pack. pf.	100.50	102.50
Canada Starch 7% pfd.	64.00	....
Canada Tea 7% pfd.	45.00	57.00
Canada Wire & Cable 6½% pfd. WW	63.50	66.00
Can. Industries com. A	102.00	....
Can. Industries com. B	101.00	103.00
Can Industries 7% pfd.	119.00	123.00
Can. Westing.	45.00	49.00
Chase, A. W., pfd. bonus com.	10.00	14.00
Claude Neon Gen. Adv. Units	5.00	6.00
Dodge Mfg. A pfd.	....	6.50
Dom. Foundries & Steel 8% pfd.	47.00	53.00
Dom. Foundries & Steel com.	6.00	7.50
Dom. Manufac. 7% pfd.	....	62.00
Dunlop Tire 7% pfd.	54.00	57.00
Eastern Dairies Ltd. 7% pfd.	20.00	....
Edmonton Stock-yards Units	....	50.00
Federal Grain c.	2.00	3.50
Federal Grain 6½% pfd.	25.00	33.00
A. J. Freiman pf.	48.00	53.00
Gen. Steel Wares pfd.	14.00	16.00
Goderich Elevator & Transit	4.25	5.25
Greening Wire 7% pfd.	47.00	53.00
Guelph Carpet 6½% pfd. bonus	61.00	66.00
Guelph Carpet c.	7.00	....
Inter City Baking com.	17.00	....
Inter. Proprietaries A	32.50	33.50
Langley's Ltd. 7% pfd.	28.00	32.00
Loew's Lond. c.	.25	.75
Loew's Lond. 7% pfd.	3.30	4.00
Loew's Toronto 7% pfd.	57.50	....
Massey-Harris 5% pfd.	18.50	20.00
Medical Arts pfd. bonus c.	95.00	....
Mount Royal Hotel c.	.30	.70
Mount Royal Hotel 6% pfd.	3.25	4.25
Nat. Grocers c.	....	2.15
Nat. Grocers 7% pfd.	86.00	91.00
Ont. Silknit pfd.	39.00	45.00
Paramount Kitchener pfd.	30.00	....
Paramount Oshawa com.	2.50	....
Paramount Oshawa pfd.	32.50	....
Provincial Paper 7% pfd.	62.00	66.00
Reliance Grain 6½% pfd.	....	64.00
Rolland Paper 6½% pfd. WW	42.00	....
Serv. Stations A pfd.	31.00	40.00
Standard Clay Prod. com.	....	14.00
Standard Fuel 6½% pfd. bonus	66.00	....
Supersilk pfd. bonus	31.00	....
Supertest Petroleum B	20.50	22.00
Toronto Elevators		

Ind. Stock cont'd.	Bid	Asked
7% pfd.	93.50	95.00
United Corp'ns. Ltd. A	4.00	....
Un. Grain Grow.	12.50	14.00
Western Grain 6½% pfd. bonus	15.00	18.00
Western Grocers pfd.	83.00	90.00
Wood, Alex. & James pfd.	16.00	21.00
Insurance Stocks:		
Br. Amer. Assce.	20.00	....
Canada Life Ass.	405.00	....
Can. Fire Ins.	51.00	58.00
Confederation Life 20% pd.	121.50	....
Continental Life 20% pd.	38.00	43.00
Crown Life Ins.	90.00	....
Dom. Fire Ins.	82.00	....
Dom. of Can. Gen. Ins.	92.00	101.50
Dom. Life 50% pd.	145.00	....
Empire Life 25% pd.	10.00	....
Excelsior Life 30% pd.	70.00	....
Fidelity Ins. Co.	48.00	....
Great West Life Assce.	310.00	330.00
Guarantee Co. of N. A.	250.00	....
Imperial Life	270.00	....
Mfrs. Life Ins.	255.00	270.00
Monarch Life 10% pd.	16.50	....
National Life 25% pd.	52.00	60.00
Saskatchewan Life 10% pd.	7.00	11.00
Sovereign Life 25% pd.	20.00	....
Sun Life Assur.	500.00	530.00
Western Assur. c.	14.00	17.50
Western Life 20% pd.	9.00	11.50
Trust & Loan Stocks:		
Br. Mtg. & Trust	145.50	155.50
Can. Gen. Invest. Ltd.	4.90	5.20
Can. Investors Corp.	5.00	6.00
Chartered Trust	54.00	....
Debenture & Sec. com.	4.00	....
Debenture & Sec. 5% pfd.	17.00	....
Dom. & Anglo Invest. Units	185.00	....
Eastern Can. Sav. & Loan	110.00	115.50
Eastern Trust	136 00	144.00
Guelph & Ont. Inv. par $50	46.50	51.00
Investment Foundation Units	32.50	36.00
Lambton Loan & Savings	51.50	57.00
London & Western Trust	....	50.00
Premier Trust	85.50	....
Provincial Bank	84.50	88.50
Security Loan & Savings	98.00	....
Sherbrooke Trust	100.50	110.00
Sterling Trust	....	43.00
Traders Finance A com.	.65	....
Traders Finance 7% A pfd.	28.00	....
Trusts & Guar.	30.00	....
Victoria Trust & Savings	131.50	139.00
Waterloo Trust & Savings	91.50	100 00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	99.00	101.00
Calgary Power 6% pfd.	80.00	83.00
Can. Light & Power c.	24.00	27.00
Can. West. Nat. Gas LH&P pfd.	79.50	82.00
Maritime Tel. & Tel. com.	9.00	10.50
Maritime Tel. & Tel. 7% pfd.	11.50	12.00
N.B. Telephone c.	9.00	10.50
N.S. L&P com.	25.50	....
N.S. L&P 6% pf.	72.50	....

Recent London Quotations:

Brewers & Distillers	10s. 9d.
Can. & For. Secs.	4s. 6d.
Can. West. Lumber	1s. 4½d
Hudson's Bay	27s.
Do., 5% pref.	88s. 9d.
Internat. Holdings	$2½
Nfld. Pr. & Pap. deb. stock B	92
Trust & Loan of Can.	3s. 1½d.

Listed Bond Quotations

Week Ending August 28, 1933

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Low
Abitibi, 1st mtge.§	5	1953	...	...	...	...		
Asbestos	5	1942	...	21½	...	...	18	13
Can. Cons. Rub.	6	1946	...	...	...	...	*65½	49
Can. Cottons	5	1940	8.11	...	...	...	62	...
Can. Forgings	6	1942	...	...	...	...	84⅝	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	*100	...
Do., (Way. Ser.)	5½	1958	...	4	...	...	3	3
Can S.S. Debs.	5	1943	...	4	...	...	*28½	5½
Cedars Rapids	5	1953	...	68	...	...	*83½	...
Dom. Canners	6	1940	...	...	...	...	108	108
Dominion Coal	5	1940	...	...	...	...	‡103	...
McNish	6	1948	...	55	...	...	37	...
Mex. L. & Pr.	5	1940	...	2.50	...	...	3.00	1.00
Mtl L.H.&Pr debs.	3	1939	...	55	...	...	*73½	70½
Mont. Tr. 1st mtg.§	5	1941	5.78	45½	46	45⅝	47½	39¾
Mont. Trams. A§	5	1955	6.75	95½	...	...	98½	95½
Do., G & Ref. B	5	1955	7.47	78	80	77½	81½	58
Do., C	4½	1955	9.03	78	...	...	73½	...
Do., D	5	1955	6.86	...	...	...	57	57
N. S. Steel	5	1959	...	78	...	...	77⅝	76½
Ontario Steel	6	1943	...	...	...	...	*62½	58
Porto R Pr.	5	1936	...	87½	...	...	80	...
Steel of Canada§	6	1940	...	...	...	...	*93	88
Wayagamack	6	1951	...	...	...	...	*102½	100
Winnipeg Elec.§	5	1935	...	72	...	...	*75	45
							*86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	*102½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	108.00				
Victory Loan	5½	1933	3.03	100.20	....	....	116.25	114.25
Do	5½	1934	3.63	101.50	....	....	100.75	100.00
Do.	5½	1937	3.25	109.00	....	....	102.60	101.15
Do., refund	4½	1940	4.00	102.25	....	....	110.25	109.25
Do., refund	5	1943	4.44	105.00	....	....	101.25	99.70
Do., refund	4½	1944	4.25	101.50	....	....	103.37	101.85
Do., refund	4½	1946	4.38	101.50	....	....	100.50	98.75
Do, renewal	4	1952	4.37	96.25	....	....	*92.25	91.50
Conversion Loan	4½	1956	4.45	100.00	....	....	95.25	91.63
Do	4½	1957	4.56	100.00	....	....	98.50	97.00
Do.	4½	1958	4.46	100.50	....	....	99.00	96.00
Do.	4½	1959	4.46	101.50	....	....	100.50	97.75
Nat. Service Loan	5	1936	3.75	103.00	....	....	100.87	97.50
Do.	5	1941	4.19	105.00	....	....	103.25	101.50
Dom. Loan	4	1935	3.70	100.00	....	....	103.75	100.75
							99.75	99.75
Unlisted:								
Cons. Paper	5½	1961	...	...	18	14	...	...

†Latest ask. ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont
August 29, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Oct.	89.50	5.26
Alberta	5	1 July, 1943	1 Jan.	96.00	5.53
Alberta	6	1 Mar., 1947	1 Sept.	103.50	5.63
*British Columbia	4½	1 Oct., 1953	1 Oct.	89.75	5.33
*British Columbia	5	15 Jan., 1948	15 Jan.	96.00	5.39
British Columbia	6	15 Feb., 1947	15 Feb.	103.00	5.63
Manitoba	4	1 July, 1947	1 Jan.	83.00	5.79
*Manitoba	5	2 Dec., 1959	2 Dec.	94.50	5.39
Manitoba	6	1 Apr., 1947	1 Oct.	101.00	5.89
*New Brunswick	4	1 June, 1948	1 Dec.	92.00	4.75
*New Brunswick	4½	15 June, 1936	15 Dec.	101.00	4.37
New Brunswick	5½	15 May, 1950	15 Nov.	106.00	4.97
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	100.25	4.48
Nova Scotia	5	1 May, 1948	1 Nov	102.00	4.75
*Ontario	4½	1 Sept. 1944	1 Sept.	103.50	4.10
Ontario	5	15 Oct., 1948	15 Oct.	105.75	4.48
Ontario	5½	1 Feb., 1947	1 Feb	108.50	4.65
P. E. I.	4	1 Apr., 1939	1 Oct.	96.90	4.60
P. E. I.	6	1 May, 1941	1 Nov.	112.15	4.80
*Quebec	4½	1 May, 1961	1 Nov.	102.00	4.13
*Saskatchewan	4½	1 Sept., 1955	1 Sept.	87.00	5.53
*Saskatchewan	5	1 Nov., 1959	1 Nov.	92.50	5.55
Saskatchewan	6	15 Mar., 1952	15 Sept.	99.75	6.02
*Newfoundland	5	31 Dec., 1952	31 Dec.	82.00	6.36
*Newfoundland	5½	1 July, 1939	1 Jan.	84.00	9.00
*Newfoundland	6½	30 June, 1936	31 Dec.	93.00	9.21
Cities					
*Montreal	5	1 Sept., 1963	1 Sept.	104.80	4.70
*Toronto	4½	1 Jan., 1955	1 Jan.	100.00	4.50
*Vancouver	5	15 Jan., 1970	15 Jan.	91.00	5.58
Winnipeg	5	1 Mar., 1944	1 Sept.	93.50	5.78
*Edmonton	5½	1 Apr., 1947	1 Oct.	92.50	6.32
Calgary	5	1 Jan., 1947	1 Jan.	90.00	6.42
Halifax	6	1 July, 1951	1 Jan.	115.01	4.75
Saint John	5	15 Dec., 1950	15 Dec.	102.95	4.75
Regina	4½	1 July, 1950	1 Jan.	79.60	6.50
Victoria	5	21 July, 1945	21 Jan.	92.34	5.90
Quebec	5	1 June, 1948	1 Dec.	101.00	4.90

*Payable in New York.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Acadia Sugar Co. pfd.	...	3%	Sept. 1	Aug. 1
Bank Can. Nationale	10%	2½%	Sept. 1	Aug. 1
Borden, c.	$1.60	40c	Sept. 1	Aug. 1
Bank of Montreal	$8	$2	Sept 1	July 3
Bank of Nova Scotia	12%	3%	Oct. 2	Sept. 1
Bank of Toronto	$10	$2.50	Sept. 1	Aug. 1
Belding Corticelli pfd.	7%	1¾%	Sept. 15	Aug. 3
Bell Telephone Co.	6%	1½%	Oct. 16	Sept. 2
Brit. Amer. Oil (14)	80c	20c	Oct. 3	Sept. 1
Canada Nor. Power	80c	20c	Oct. 25	Sept. 30
Do., pref.	7%	1¾%	Oct. 16	Sept. 30
Canada Perm. Mortgage	10%	2½%	Oct. 2	Sept. 15
Canada Vinegars	$1.60	40c	Sept. 1	Aug. 15
Can. Bank of Commerce	$8	$2	Sept. 1	July 31
Can. Hydro-Elec., 1st pfd.	6%	1½%	Sept. 1	Aug. 1
Can. Silk Products A	$1.50	37½c	Aug. 31	Aug. 16
Crow's Nest Coal (interim)	..	$2	Sept. 1	Aug. 1
Canadian Cottons pfd.	6%	1½%	Oct. 4	Sept. 16
Canadian General Elec.	$3	75c	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Dominion Bank	10%	2½%	Oct. 2	Sept. 20
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Dominion Stores	$1.20	30c	Oct. 2	Sept. 15
Dominion Textiles c.	$4	$1	Oct. 2	Sept. 15
Do., pfd.	7%	1¾%	Oct. 16	Sept. 30
East. Theatres, com.	$2	50c	Sept. 1	July 31
Goldfield Cons. (interim)	...	5c	Aug. 31	Aug. 16
Hollinger Cons. Gold M.	65c+10c	5c+5c	Sept. 9	Aug. 25
Hamilton United Theatres	7%	1¾%	Sept. 30	Aug. 31
Imperial Tobacco	35c	8¾c	Sept. 30	Aug. 30
Do., pfd.	6%	3%	Sept. 30	Aug. 20
Imperial Oil (coupon 38)	50c	12½c	Sept. 1	Aug. 15
Inter. Milling pref.	7%	1¾%	Sept. 1	Aug. 19
Do. "A" pref.	6%	1½%	Sept. 1	Aug. 19
Inter. Petroleum	$1.12	28c	Sept. 15	Aug. 31
Jamaica Pub. Serv.	$1	25c	Oct. 2	Sept. 15
Do., pref.	$7	$1.75	Oct. 2	Sept. 15
Lake Shore Mines	$2+$1	50c	Sept. 15	Sept. 1
Laura Secord	$3	75c	Sept. 1	Aug. 15
Loblaw Groceterias A & B	80c	20c	Sept. 1	Aug. 12
Merland Oil (interim)	...	5c	Sept. 15	Aug. 15
McIntyre Mines	$1	25c	Sept. 1	Aug. 1
Do., extra	80c	12½c	Sept. 1	Aug. 1
Do., extra	...	12½c	Sept. 1	Aug. 1
McColl-Fron., c	60c	15c	Sept. 15	Aug. 15
Montreal Loan	12%	3%	Sept. 15	Aug. 31
Montreal Cottons pfd.	7%	1¾%	Sept. 15	Aug. 31
National Breweries	$1.60	40c	Oct. 2	Sept. 15
Do., pref.	$1.75	44c	Oct. 2	Sept. 15
Nat. Sewer Pipe A	$2.40	60c	Sept. 15	Aug. 31
National Biscuit pref.	$7	$1.75	Aug. 31	Aug. 15
Northern Ont. Power	$2	50c	Oct. 25	Sept. 30
Do., pref.	6%	1½%	Oct. 25	Sept. 30
Ogilvie Flour Mills pfd.	$7	$1.75	Sept. 1	Aug. 21
Provincial Bank	6%	1½%	Sept. 1	Aug. 15
Pioneer Gold Mines of B.C.	60c	15c	Oct. 2	Sept. 8
Rolland Paper, pref.	6%	1½%	Sept. 1	Aug. 15
Royal Bank	8%	2%	Sept. 1	July 31
Royalite Oil	...	50c	Sept. 15	Aug. 31
Southern Can. Power pfd.	6%	1½%	Oct. 16	Sept. 20
Sylvanite Gold Mines (interim)	...	2½c	Sept. 30	Aug. 31
Standard Steel, A pfd.	$3	75c	Oct. 1	Sept. 15
Walker-Good. & Worts pfd.	$1	25c	Sept. 15	Aug. 25

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
August 29, 1933

Industrial Bonds:	Bid August 29	Asked August 29	Bid Aug. 22
Abitibi P. & P. 5% 1953	25.25	26.50	23.25
Acadia Sugar 6% 1946	90.50	93.00	91.00
Alta. Pac. Grain 6% 1946	73.50	77.00	78.00
American Sales Book 6% 1939	99.00	....	99.00
B. A. Oil 5% 1945	99.00	100.00	98.00
Can. Biscuit 6½% 1946	24.00	26.50	21.50
Can. Bread 6% 1941	97.25	....	97.00
Can. Cement 5½% 1947	77.25	78.50	76.50
Can. Steamship 6% 1941	21.50	22.50	20.00
Can Bakeries 6½% 1945	65.50	75.00	65.00
Can Canners 6% 1950	97.25	99.00	97.00
Can Copper Refin. 6% 1945	106.00	....	106.00
Can. Cottons 5% 1940	90.50	....	90.00
Can. Vickers 6% 1947	55.50	58.00	56.00
Cons. Invest. 4½% 1959	56.00	....	57.00
Cosmos Imp. Mills 6½% 1944	86.00	....	85.00
Davies, Wm. 6% 1942	98.00	100.00	97.50
Debenture & Sec. 5% 1936	62.50	....	62.00
Dom. Tar & Chemical 6% 1949	72.00	74.00	71.00
Dom. Telegraph 5½% 1978 "A"	94.50	....	94.00
Dom. Textile 6% 1949	104.25	....	104.00
Dom. Woollens 6% 1948	30.00	....	31.00
Donnacona Paper 5½% 1948	33.25	....	33.00
Eaton Realty 5% 1949	90.25	....	90.00
Famous Players 6% 1948	74.00	76.00	73.50
Federal Grain 6% 1949	69.50	....	74.00
Firestone Tire 7% 1937	105.00	....	105.00
Fraser Co. 6% 1932	32.25	....	32.00
Fraser Co. 6% 1950	30.50	....	30.00
Galt Brass 7½% 1941	15.25	20.50	15.00
General Steel Wares 6% 1952	61.00	62.50	64.00
Goodyear Cotton 6% 1949	102.50	104.50	102.50
Great Lakes Paper 6% 1950	29.00	....	28.00
Gypsum, Lime & Alab. 5½% 1948	44.00	46.50	43.00
Harris Abattoir 6% 1947	101.50	103.00	101.50
Howard Smith 5½% 1953	73.00	74.50	75.00
Loew's Toronto 6% Serial	98.00	....	98.00
London Realty 6½% 1950	....	40.00	30.50
Maple Leaf Milling 5½% 1949	54.00	56.50	53.50
Massey-Harris 5% 1947	67.50	69.00	68.00
McColl-Frontenac 6% 1949	96.00	98.00	95.00
McKinnon Industries 6½% 1945	95.00	....	95.00
Mercury Mills 5½% 1953	53.50	....	53.00
Metropolitan Bldg. 7% 1944	81.00	....	80.00
Northern Ontario Bldg. 6½% 1939	66.00	71.00	65.00
Price Bros. 6% 1943	55.00	58.50	55.00
Richmond-Bay 6½% 1947	61.00	....	61.00
Simpsons Ltd. 5½% 1949	74.50	77.50	75.00
Simpsons Ltd, 6% 1949	77.25	79.00	77.00
Steel of Canada 6% 1940	103.00	....	103.00
Stop & Shop 6% 1947	64.25	....	64.00
Toronto Carpet 6% 1944	81.00	....	81.00
United Gas & Fuel 5½% 1948	74.00	78.00	74.00
United Grain Growers 5% 1948	76.50	80.00	78.00
United Grain Growers 5½% 1949	78.50	82.00	82.50
Wabasso Cotton 7% 1942	70.00	....	70.00
Western Grain 6% 1949	67.75	71.00	67.50
Public Utility Bonds:			
Bell Telephone 5% 1955	106.75	107.50	106.50
Bell Telephone 5% 1957	106.50	107.50	....
B. C. Power 5½% 1960	90.00	92.00	90.00
B. C. Telephone 5% 1960	96.00	97.50	96.50
Calgary Power 5% 1960	83.50	85.00	79.50
Can. Northern Pwr. 5% 1953	79.00	81.00	79.50
Duke-Price Pwr. 6% 1966	80.50	83.00	81.00
French Nat'l Mail S.S. 6% 1952	124.00	134.00	124.00
Gatineau Pwr. 6% 1941 A	71.00	73.00	70.50
Gatineau Pwr. 5% 1956	80.50	81.50	80.50
Maclaren Quebec 5½% 1961	82.00	84.00	82.00
Manitoba Power 5½% 1951	38.00	42.00	40.00
Montreal Isl. Pwr. 5½% 1957	96.00	98.00	95.00
Montreal LH&P 5% 1951	106.00	108.00	105.00
Montreal LH&P 5% 1970	105.00	107.00	105.00
Montreal Tram 5% 1941 July	96.00	97.00	95.00
Montreal Tram 5% 1955	78.00	79.00	78.00
Northwest. Utilities 7% 1938	96.00	100.00	95.00
Ottawa Valley Pwr. 5½% 1970	99.00	101.00	99.00
Quebec Power 5% 1968	97.00	....	95.00
Rio Tramways 5% 1935	100.00	102.00	99.00
Shawinigan W & P 4½% 1970	76.50	....	78.00
Shawinigan W & P 5% 1970	85.75	....	86.00
Shawinigan W & P 6% 1937	95.50	96.50	95.50
Southern Can. Pwr. 5% 1955	99.00	100.50	99.00
West Kootenay Pwr. 5% 1956	98.00	100.00	97.75
Government, Provincial & Railway			
C. N. R. 4½% 1951 Dom. Gtd.	102.25	103.00	101.75
C. N. R. 4½% 1957 Dom. Gtd.	102.00	103.00	101.00
C. N. R. 5% 1969 Dom. Gtd.	107.50	108.00	107.00
C. P. R. 4½% 1944	82.50	84.00	83.00
C. P. R. 6% 1942	113.50	....	113.00
Dom. of Can. 5% 1936	103.00	103.75	103.00
Dom of Can. 5% 1941	105.75	106.50	104.00
G. T. P. 3% 1962 Dom. Gtd.	81.25	82.50	81.75
G. T. P. 4% 1962 Dom. Gtd.	95.00	96.00	95.00
Ont. Hydro 3½% 1952 Ont. Gtd.	93.00	94.00	93.00
Ont. Hydro 4½% 1970 Ont. Gtd	101.00	102.00	101.00
Ont. Hydro 4% 1957 Ont. Gtd.	93.50	94.25	93.00
Prov. of N.B. 5% 1957	99.00	102.00	99.00
Prov. of Ont. 5½% 1947	107.00	108.50	107.00
Prov. of Ont. 5% 1948	104.50	105.25	104.00
Prov. of Ont 5½% 1946	107.50	108.50	107.00

Winnipeg Stock Exchange

(Transactions for week to August 25)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Aug. 25
6	5.3	Bell Telephone	10	112	112	112
..	..	Central Manitoba	750	10	8½	10
..	..	God's Lake	1300	.58	.51	.58
..	..	Mayland Oil	17	1.40	1.40	1.40
..	..	Noble Five	100	.12	.12	.12
..	..	Pelissiers, c	50	.50	.50	.50
..	..	Island Lake	1400	.23½	.20¾	.20¾
1.25	..	San Antonio	500	1.02	1.02	1.02
..	..	United Grain Grow	10	13	13	13
..	..	West. Grocers, c.	10	22	22	22

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Lumb. pref.	64	..	Sovereign Life	13½	..
Beaver Fire	..	100	Traders Bldg.	65	..
City Dairy 8% pf.	..	40	Can Amer. Tr. shs.	..	3¼
Cres. Creamery, pf.	..	35	Fundamental Ser. A	..	4¼
Northern Trust	15	..	Fundamental Ser. B	..	4
Pelissiers, pref.	15	..	Group. Income Shs.	..	4.85
Reliance Grain pfd.	..	55			

*Stocks more active on other exchanges not included.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotaiton giving an idea of approximate price is better than none at all.

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Office Furniture

BOARD ROOM TABLE — MAHOGANY, 4 ft. by 10 ft., $200; cost $400. Good as new. Box 130, The Financial Post, Toronto.

DIVIDEND NOTICES

Royalite Oil Company Limited

NOTICE OF DIVIDEND NO. 10

Notice is hereby given that a dividend of 50c per share has been declared payable to Shareholders of the Company of record as such on the books of the Company at the close of business on Thursday, the 31st day of August, 1933, and that the Dividend will be payable on or after Friday, the 15th day of September, 1933. Dividend cheques will be mailed from the office of the Company on the 15th day of September, 1933.

The Register of Transfers will be closed from the close of business on the 31st day of August, 1933, until the opening of business on Monday, the 11th day of September, 1933.

By Order of the Board,

T. E. BURNS,
Secretary-Treasurer.

Calgary, Alberta,
21st August, 1933.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three Quarter per cent. (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending September 30th, 1933, payable October 16th, 1933, to shareholders of record September 30th, 1933.

By order of the Board,
L. P. WEBSTER,
Secretary.

Montreal, August 23rd, 1933.

DIVIDEND NOTICE

Canadian General Electric Company, Limited

Preference Dividend No. 94

Notice is hereby given that a Dividend of 1¾% for the quarter ending September 30, 1933, being at the rate of 7% per annum, has been declared on the Preference Stock of the Company.

Common Dividend No. 115

Notice is also hereby given that a Dividend of 75 cents per share for the quarter ending September 30, 1933, being at the rate of 6% per annum upon the par value of the stock, has been declared on the Common Stock of the Company.

The above Dividends are payable on October 1, 1933, to shareholders of record at the close of business on September 15, 1933.

By Order of the Board.

W. H. Nesbitt,
Secretary.

TORONTO 2, August 24, 1933.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

Canada Northern Power Corporation, Limited

Common Dividend No. 17

NOTICE is hereby given that a Dividend of 20c. per share (being at the rate of 80c. per annum) has been declared on the no par value Common Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending September 30th, 1933, payable October 25th, 1933, to shareholders of record at the close of business on September 30th, 1933.

By order of the Board.
L. C. HASKELL, Secretary.
Montreal, August 22nd, 1933.

NOTICES

The Ontario Municipal Board

Notice is hereby given that the Municipality of Dysart has become subject to the provisions of Part VI of "The Ontario Municipal Board Act, 1932," by an order of the Ontario Municipal Board bearing date the 8th day of August, 1933, and from and after the first publication of this Notice in the "Ontario Gazette" all actions or proceedings against the said Municipality are stayed and thereafter no action or other proceeding against the said Municipality shall be commenced or continued nor shall a levy be made under a Writ or Execution against it without leave of the Ontario Municipal Board.

Dated this 8th day of August, A. D., 1933.

H. C. SMALL,
Secretary of the Ontario
Municipal Board.

DIVIDEND NOTICES

Associated Breweries of Canada Limited

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend (No. 20) of 1¾% upon the outstanding Preference Shares of the Company has been declared, the said dividend to be payable on or after the 1st day of October, A.D. 1933, to Shareholders of record at the close of business on the 15th day of September, 1933.

By Order of the Board,

J. G. Walford,
Secretary-Treasurer.

Calgary, Alberta.
August 29th, 1933.

Canada Permanent Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO and ONE-HALF PER CENT for the current quarter, being at the rate of

TEN PER CENT PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

MONDAY, THE SECOND DAY OF OCTOBER

next, to Shareholders of record at the close of business on the Fifteenth day of September, 1933.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, August 23rd, 1933.

The British American Oil Company Limited

Dividend Notice

NOTICE is hereby given that the regular dividend of Twenty Cents (20c) per share has been declared on the issued No Par Value capital stock of the Company for the third quarter ending September 30, 1933. The above dividend is payable, in Canadian funds, October 2, 1933, to shareholders of record at the close of business on the 16th day of September, 1933. Transfer books will be closed from the 18th to the 30th of September, both days inclusive.

Share Warrant Holders will present Coupons Serial No. 14 to the Royal Bank of Canada, Toronto, Ontario, or the Royal Bank of Canada, Montreal, Quebec, on or after October 2nd, 1933.

By Order of the Board.

P. W. BINNS,
Secretary.

Dated at Toronto, August 26th, 1933.

The Bell Telephone Company of Canada

NOTICE OF DIVIDEND

A dividend of one and one-half per cent (1.50%) has been declared payable on the 16th of October, 1933, to shareholders of record at the close of business on the 23rd of September, 1933.

W. H. BLACK,
Secretary-Treasurer.

Montreal, August 23, 1933.

The Ontario Loan and Debenture Company

155th DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of 3 per cent for the current Quarter ending 30th September, 1933 (being at the rate of 12 per cent per annum) has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 2nd October, 1933, to Shareholders of record of the 15th September, 1933.

BY ORDER of the Board,

T. H. Main, Manager.

London, Ontario, 29th August, 1933.

Porteous Joins Rothschild Montreal Branch Office

From Our Own Correspondent

MONTREAL.—Announcement is made by Rothschild and Co., members of the New York Stock Exchange, that B. H. Porteous has become associated with them in their Montreal office. Mr. Porteous has been connected with Montreal brokerage circles for many years. He first became a member of the Montreal Stock Exchange in 1911 and for a number of years carried on

HOLLINGER MOVES 800 TON MILL UNIT TO YOUNG DAV'SON

Pioneer Operation in Old Section May Produce This Year

The mill to be constructed on the Young-Davidson property by Hollinger Consolidated Mines is likely to be nearer 800 tons daily capacity than 500 tons, The Financial Post is reliably informed.

Hollinger is removing one 800-ton unit of the Hollinger mill at Timmins to the Young-Davidson property. Part of the equipment is already in transit and it is anticipated that operations will be under way late this year.

As first exclusively reported in The Financial Post, the Ontario Hydro-Electric Power Commission is constructing a branch to the property from its main Sudbury line.

The Young-Davidson holdings comprise five claims, approximately 163 acres, in Powell township, Matachewan area, Ontario, where a low-grade ore body has been disclosed covering approximately 2¾ acres.

Large Low-grade Body

Work is centred about proving up this ore body, which is said to average between $2.50 and $3 per ton with gold at normal values, and this at the current rate for the precious metal has greatly enhanced its attractiveness.

Hollinger, in consideration of development work and constructing a mill, stands to gain controlling interest in the company, which has an authorized capitalization of $3,000,000 in $1 par value shares.

Prior to 1925 Porcupine Goldfields Development & Finance Co., an English organization, did about 17,702 feet of diamond drilling and sunk a shaft to a depth of 200 feet on the property. Some 2,000 feet of lateral work was done on the 100 and 200-ft. levels, but the low-grade nature of the ore at the then value of gold and the lack of cheap electric power did not render the outlook sufficiently attractive to warrant proceeding with development.

To Dewater Heinze Shaft At Paymaster

Following the announcement last week that Paymaster Consolidated Mines had freed its property of debt, a start has been made on active development to give speedily this old producer its much belated test. Initial operations are directed at dewatering the old Heinze shaft on the West Dome Lake section of the property which had been sunk near the Dome Mines boundary to a depth of 300 feet. Immediately dewatering is completed, lateral work is to be pressed to explore further the ore potentialities of this section of the company's holdings.

The capital set-up of the company provides for 9,000,000 authorized shares of which 4,227,970 shares are issued or are to be issued to shareholders of the old companies merged to form the present consolidation. At the present time 4,307,490 shares are outstanding after giving effect to the shares partly paid and shares to be exchanged, which leaves the company's treasury share position over 50 per cent intact and with liquid assets of $40,831 with which to resume operations.

YUKON GOLD CORP. HAS GOOD RECOVERY

Production to June 30, $112,103, Slightly Below 1932

In an official report by the Yukon Consolidated Gold Corporation gold recovery was shown to June 30, 1933, of $112,103 as compared with $140,833 in the previous year. The company has five dredges operating but an unusually late spring with much cold weather delayed the commencement of operations and retarded production.

E. A. Austin, consulting engineer of San Francisco, has been appointed general manager of the company and a preliminary report by him to the directors gives a number of specific recommendations that have been approved. The officials have in view a more rapid development and working of a richer portion of the company's holdings, heretofore unexploited.

METROPOLITAN GOLD PLAN SINKING SHAFT

Financing Arranged and Shares Listed on Standard Exchange

Arrangements are being made for the sinking of an incline prospecting shaft on the vein and the construction of a ten-ton test mill this fall at the property of the Metropolitan Gold Mines in the Sturgeon Lake area, Thunder Bay district, Ontario, according to the company's president, H. M. Richardson.

Financing was recently arranged with a New York group through Kenneth MacLaren & Co., Toronto, and the shares were recently called for trading on the Standard Stock & Mining Exchange. The company has a capitalization of $2,000,000 in $1 par value shares of which 600,000 shares were issued for the company's property and a firm underwriting given on 400,000 shares that will net the company's treasury $35,000. Already some $25,000 has been paid in and shares taken up. Upon completion of present financing one-half the company's capitalization remains in its treasury for additional funds when mill construction is deemed advisable. The 600,000 vendor shares are pooled for one year.

Near the Railway

The company's property comprises 26 claims of approximately 1,040 acres in the Sturgeon Lake area, about three miles north of the St. Anthony Gold Mines and about 60 miles east of Sioux Lookout on the Canadian National Railways main line. The property is about three and a half mile south of the railway and is accessible by a road and water route.

Preliminary work has consisted of surface trenching which has traced a main break some one and a half miles across the company's property where the width is said to be from 30 to 40 feet. Channel samples taken at each end of the break disclosed commercial ore. Two other vein systems have also been encountered parallel to the main break and a crew is at work completing accommodations for a staff of 25 men to speed further work. It is expected that within two months time the diamond drill which is already on the property will have given sufficient information that the small mill can be put in service to bulk test ore developments.

Quebec Creates Townships

Forty new townships have recently been created in the Province of Quebec—surveyed, cultivated and divided off, and Hon. Honore Mercier, Minister of Lands and Forests was given the privilege of choosing names for them.

Mining Stock Quotations

Week Ending August 28.

Par Val.	Range 1933 High	Low	Company	Sales	Close Aug. 21 (or last)	High for week	Low for week	Close Aug. 28
1	.05	.03	Abana	.....	.03	.....	.....	.....
1	.02½	.00½	Aconda	3,000	.01½	.01½	.01½	.01½
No	.30	.03	Aldermac	16,800	.22	.25	.22	.24
1	.03½	.01	Alexandria	38,500	.02½	.02½	.02	.02½
No	.06	.02	Algoma	242,000	.03½	.03½	.02½	.03½
1	.01½	.00½	Algonquin	17,000	.00½	.00½	.00½	.00½
1	.06	.00½	Amity C.	127,750	.04½	.05½	.04½	.05½
No	.74	.10	Amulet	49,676	.71	.71	.66	.66½
1	.01	.00½	Apex	.....	.00½	.....	.....	.....
1	.07½	.02	Area	72,115	.04½	.07½	.04½	.05½
No	.04½	.01½	Arno	43,100	.02½	.03½	.02½	.02½
1	1.36	.74	Ashley	100	1.00	1.08	1.08	1.08
1	.14	.02½	Bagamac	10,800	.04	.05½	.04½	.05½
1	.03	.00½	Baldwin	5,500	.01	.01½	.01	.01
1	.20	.08	Barry Hollinger	87,000	.08½	.11	.08½	.10½
1	2.45	.75	Base Metals	2,655	1.90	2.05	1.90	2.05
No	1.00	.98	Beattie	.....	.98	.....	.....	.....
1	.40½	.08	Big Missouri	22,000	.19	.20	.18	.20
1	.27½	.08½	Bobjo	108,700	.20½	.28	.21	.28
No	10.50	2.28	Bralorne	5,495	9.70	10.50	9.25	10.50
1	.25	.15	Brett Trethewey	9,500	.24	.24	.23	.23
1	.07½	.01½	Brownlee	67,900	.04½	.04½	.04	.04
1	.03	.00½	Buckingham	20,000	.01½	.01½	.01½	.01½
No	.09½	.01½	Buffalo Can	186,700	.05½	.09½	.05½	.09
5	19.50	15.60	Bulolo	1,230	17.50	19.50	18.35	19.50
No	.10	.01½	Bunker Hill	147,350	.09½	.09½	.08½	.09
5s	1.25	.60	B'Wana McKubwa	50	1.25	.75	.75	.75
No	.05	.02½	Canam Metals	.....	.05	.....	.....	.....
1	.12½	.03	Can. Kirkland	23,300	.08	.08½	.08	.08
No	.44	.32	Can. Malartic	13,675	.40	.44	.40	.42
1	.02	.00½	Capital Rouyn	94,000	.01½	.01½	.01	.01½
1	.03½	.01	Cartier Malartic	.....	.01½	.....	.....	.....
1	.72	.15	Castle Trethewey	16,960	.42	.52	.42½	.52
1	.18	.05	Cen. Manitoba	19,675	.08½	.10	.09	.10
1	.47	.17	Cen. Patricia	53,225	.39	.47	.38½	.44
No	.20	.03	Chibougamau Pros.	189,200	.12	.13	.10½	.11
No	.12	.03	Church. M. & Mill.	43,200	.10	.10	.08	.08½
No	.04	.00½	Clericy	109,500	.02	.03½	.02	.03
1	.03	.01	Clifton Cons.	32,600	.01½	.02½	.01½	.02
5	9.00	1.65	Coast Copper	555	5.00	6.00	5.00	6.00
1	.15	.00½	Cobalt Contact	359,000	.07½	.07½	.06	.06½
1	.33	.05	Columario	18,300	.17½	.19	.17	.18
5	1.90	.75	Coniagas	800	1.05	1.30	1.15	1.30
No	.60	.20	Coniaurum	3,849	.57	.60	.52	.60
25	142.00	54.00	Cons. Smelters	1,417	130.00	133.50	128.00	133.00
No	39.50	13.60	Dome Mines	10,780	33.25	35.75	33.25	35.00
No	.15½	.03½	Dom. Explorers	44,900	.07	.08	.07½	.08
1	.02½	.00½	Dominion Kirk.	20,000	.01½	.02	.01½	.01½
1	.04	.01	Don Rouyn	1,000	.02	.01½	.01½	.01½
1	.04½	.02	Duparquet	.....	.02	.....	.....	.....
1	8.10	1.16	Eldorado	75,310	3.75	4.35	3.70	4.35
No	4.55	1.80	Falconbridge	6,740	3.86	4.10	3.85	4.05
1	.06	.01	Federal	18,000	.01½	.02½	.01½	.02
No	.07	.01	Gilbec	19,800	.03½	.04	.03½	.03½
1	.17	.04	Goldale	16,000	.11½	.12	.11	.12
10	.29	.10	Goldfield	64,000	.19	.26½	.19	.23
.	.01½	.01	Gold Reef	.....	.01	.....	.....	.....
1	.12	.02	Goodfish	12,500	.09	.09½	.08½	.09½
1	.04	.01	Graham	1,000	.02	.02½	.02½	.02½
1	1.95	.75	Granada	17,650	.89	1.01	.94	.96
1	.18	.06	Grozelle	3,000	.13½	.08	.07	.08
1	.43½	.24	Halcrow Swayze	12,000	.42	.43½	.42	.43½
1	.06	.02	Harker	8,500	.03½	.04	.03½	.04
1	.01½	.00½	Hilltop	11,000	.01	.01½	.01	.01
5	10.90	6.00	Hollinger	16,655	9.80	10.50	9.80	10.35
1	1.00	.61	Howey Gold	47,500	.86	.95	.85	.94
No	12.25	3.10	Hudson Bay	3,032	10.25	10.90	10.10	10.75
No	.55	.25	Huronian	360	.45	.51	.50	.50
1	12.00	9.00	Inter. Mining	.....	9.00	.....	.....	.....
.	4.00	3.00	Do., Pur Warr.	.....	3.00	.....	.....	.....
No	23.25	8.00	Int. Nickel	70,388	21.10	22.15	20.80	22.00
1	.04	.00½	Jackson Manion	229,500	.03½	.04	.02½	.03½
1	.70	.20	Keeley	5,310	.53	.55	.50	.55
1	.02	.00½	Keora Mines	500	.01	.01	.01	.01
1	.76	.48	Kirk. Hud. Bay	500	.51	.55	.55	.55
1	.02½	.00½	Kirk. Hunton	9,500	.01½	.01	.00½	.00½
1	.52	.30	Kirkland Lake	57,675	.33½	.41	.33½	.40
1	.04	.01½	Kirkland Premier	6,500	.02½	.02½	.02½	.02½
1	.52	.12	Kirk. Townsite	34,200	.32	.37	.32	.36
20c	.02½	.00½	Koot. Florence	2,000	.01½	.01½	.01½	.01½
1	.35	.15	Lakeland	21,700	.27	.30	.25	.29
No	.32	.07	Lake Maron	88,500	.17	.17	.14	.17
1	47.60	30.75	Lake Shore	3,857	45.00	46.75	44.75	46.50
1	.21	.02½	Lebel Oro	151,000	.18	.21	.18	.20
No	.29	.11	Lee Gold	407,950	.14½	.19	.14	.17½
1	.90	.20	Macassa	391,555	.79	.90	.80	.88½
1	.23	.05	Malartic	.....	.17	.....	.....	.....
1	.07½	.01	Malrobic	64,600	.05½	.06	.05½	.06
No	.17	.02	Mandy	1,000	.09	.09	.09	.09
No	.07	.01	Manitoba Basin	48,900	.02½	.03	.02½	.03
5	38.75	21.20	McIntyre	18,165	33.50	38.00	35.75	37.50
1	.51	.30	McKinley	140	.50	.51	.50	.51
No	.08	.02½	McLeod River	91,500	.02½	.03½	.02½	.03
1	.35	.03	McMillan	39,600	.25	.32	.25	.30½
No	1.15	.46	McWatters	32,500	.97	.98	.85	.90
1	.91	.15	McVittie	108,010	.78	.91	.79	.89
5	1.25	.06	Mentor Exp. & Dev.	.....	1.05	.....	.....	.....
1	.36	.30	Metropolitan Gold	45,300	.....	.36	.30	.36
No	2.65	1.20	Mining Corp.	4,695	2.00	2.10	1.99	2.10
1	.05	.01½	Moffatt Hall	25,200	.02½	.03	.02½	.03
1	.12½	.02	Moneta	5,500	.07	.08	.06	.08
1	.00½	.00½	Montreal Rouyn	.....	.00½	.....	.....	.....
1	.40	.05	Moss	143,050	.05½	.06	.05	.06
1	.03½	.00½	Murphy	2,000	.01½	.01½	.01½	.01½
No	.06½	.02½	Newbec	3,000	.03	.03½	.03	.03½
1	.06½	.01½	Night-Hawk Penn.	6,500	.04½	.04½	.04½	.04½
5	3.50	1.15	Nipissing	3,660	2.10	2.40	2.02	2.40
No	38.25	19.75	Noranda	19,917	33.90	35.50	33.85	35.50
No	.52	.32½	Nor. Canada	11,900	.37	.40	.35	.39
No	.41	.19½	Normont-Gold	12,300	.40	.41	.39	.41
1	.34	.05	Osisko	1,500	.15	.15	.15	.15
1	.28½	.11	Parkhill	20,700	.21	.24½	.21	.24
1	.03½	.01½	Pawnee Kirk.	4,000	.01½	.01½	.01½	.01½
1	1.80	.59	Pend Oreille	4,950	1.10	1.25	1.10	1.25
1	.04½	.00½	Peterson Cobalt	8,000	.02	.02½	.02	.02
1	16.25	4.30	Pioneer Gold B.C.	3,595	12.65	14.50	12.90	13.00
1	.03	.00½	Porcupine Crown	.....	.02	.....	.....	.....
1	.01½	.00½	Potter Doal	4,000	.01	.01	.01	.01
1	1.60	.55	Premier Gold	3,700	1.18	1.22	1.18	1.22
1	.03½	.00½	Preston E. Dome	2,400	.02	.02	.01½	.02
No	1.75	.68	Prospectors Air's.	9,600	1.10	1.20	1.00	1.00
No	.15	.03	Quemont	.....	.09½	.....	.....	.....
1	.51	.35	Read Authier	86,287	.35	.51	.33	.50
1	2.75	.60	Reno	54,845	1.50	1.55	1.33	1.45
1	.03½	.00½	Ribago	10,500	.01½	.01½	.01½	.01½
1	.03	.01½	Ritchie	5,000	.02	.02½	.01½	.02½
1	.04½	.01	Robb Montbray	8,000	.02½	.04	.03½	.03½
1	1.25	.75	San Antonio	12,555	1.02	1.12	1.02	1.12
1	.07	.02	Seven Troughs	.....	.07	.....	.....	.....
1	1.90	.33	Sherritt Gordon	29,028	1.33	1.43	1.32	1.42
1	1.78	1.25	Siscoe	156,636	1.56	1.60	1.41	1.49
1	.10½	.02½	South Keora	300	.04½	.05½	.05½	.05½
No	.07½	.01½	Stadacona	92,050	.04½	.05	.04½	.04½
1	.60	.07	St. Anthony	35,850	.32	.42	.31	.42
No	2.21	.60	Sudbury Basin	6,935	1.56	1.62	1.50	1.62
1	.15	.00½	Sudbury Contact	9,250	.09	.10	.09	.09½
1	.02	.00½	Sudbury Mines	11,000	.01	.01½	.01½	.01½
No	.25	.16½	Sudbury Nickel	.....	.25	.....	.....	.....
1	.38½	.17	Sullivan	16,800	.20	.20	.19	.19
1	1.44	.72	Sylvanite	86,304	1.07	1.30	1.05	1.29
1	.03½	.01½	Tashota	.....	.01½	.....	.....	.....
1	7.25	3.70	Teck-Hughes	29,295	6.20	6.80	6.15	6.60
1	.20	.03	Thom Cadillac	59,100	.13½	.20	.13	.17½
1	.61	.10	Towagmac	49,700	.45	.49	.43	.47
1	3.00	1.00	Treadwell	800	1.61	1.70	1.52	1.52
1	.17	.04	United Kirkland	7,100	.10	.12½	.10	.10½
No	.06½	.01½	Vacuum Gas	48,000	.02½	.03	.02½	.02½
No	2.40	.30	Venezuela	250	2.35	1.06	1.06	1.06
No	1.50	.80	Ventures	20,785	1.09	1.09	1.02	1.05
1	.22	.03	Vickers	15,400	.03	.03½	.03	.03½
1	.75	.20	Vipond	12,700	.54	.58	.55	.55½
No	2.55	.35	Waite Ackerman	3,390	2.40	2.50	2.25	2.25
50c	.75	.33	Wayside	197,124	.52	.65½	.54	.60
1	.08	.02½	White Lake	2,700	.04½	.06	.05	.05½
1	.28	.02	Wiltsey Coughlan	7,600	.17	.18	.16½	.17
1	.27	.07	Wood Kirkland	3,000	.19½	.20	.16	.19½
No	7.70	3.73	Wright-Hargreaves	36,470	7.20	7.70	7.10	7.65
			OIL STOCKS					
No	.32	.07½	Acme Gas & Oil	450,945	.27	.32	.23	.24½
1	.04½	.04½	Admiral	.....	.04½	.....	.....	.....
1	1.60	.55	Ajax	5,350	1.30	1.31	1.20	1.29
1	.68	.05	Alta. Pacific	14,033	.26	.86	.27	.29
1	.20	.05	Amalgamated	16,500	.19	.20	.18	.18½
No	1.10	.04½	Associated	18,250	.35	.41	.35	.37
No	.28	.01	Baltac	18,600	.10	.12	.09	.09
No	2.50	.25	Calgary & Ed.	5,045	1.50	1.70	1.50	1.70
1	.45	.03	Calmont	12,800	.15	.20	.15½	.17
1	.25	.03½	Common. Pete.	3,300	.12	.13	.09	.12½
No	2.50	.11	Dalhousie	15,656	.75	.85	.70	.75
No	.19	.02	Devenish	6,150	.12	.14	.12	.14
No	.55	.05½	East Crest	51,775	.29	.35	.29	.31
No	.36	.23	Erie Gas	100,400	.28	.35	.25	.33½
No	.02	.00½	Fabyan Pete	47,500	.01½	.01½	.00½	.01½
No	1.75	.06	Foothills	100	.60	.90	.90	.90
No	.28	.04	Freehold	13,650	.11	.13½	.11	.13½
No	.12	.01½	Hargal	2,900	.10	.12	.10	.10
No	4.05	.30	Home	36,025	2.15	2.50	2.11	2.30
No	.05	.05	Homestead	.....	.05	.....	.....	.....
1	.25	.10	Homestead O. & G.	8,000	.14½	.17	.15½	.16
No	.47	.10	Lowery	2,000	.35	.35	.35	.35
No	.03½	.03½	Madison	.....	.03½	.....	.....	.....
No	.20	.05½	Marjon Oil	4,550	.16	.16	.15	.15
1	1.85	.14	Mayland	1,533	1.20	1.50	1.30	1.50
No	.10	.03½	McD. Segur Ex.	2,090	.08	.07	.06½	.06½
.	.08½	.05½	McD. Segur N.	.....	.03½	.....	.....	.....
1	1.10	.25	McLeod	1,715	.30	.50	.35	.45
No	.30	.07½	Mercury	35,910	.15	.19	.16	.18
No	.45	.11	Merland	7,800	.30	.37	.31	.32
.	.01½	.01	Mid West	.....	.01½	.....	.....	.....
No	.35	.09	Mill City Pete	.....	.15	.....	.....	.....
1	.50	.12	Model	1,525	.26	.34	.25	.34
5	.30	.09	Nordon	20,700	.14	.17	.14	.15
No	.12½	.02½	Oil Selections	684,100	.05	.12½	.06	.09½
No	.20	.04½	Okalta	7,500	.10	.10	.09	.10
No	.61	.20	Olga Gas & Oil	30,000	.40	.45	.40½	.41
5	.03½	.01	Penn. Pete	.....	.01½	.....	.....	.....
1	.25	.13	Petrol Oil & Gas	8,500	.17	.23	.17	.18
No	.02	.03	Richfield	.....	.02	.....	.....	.....
No	23.00	5.75	Royalite	1,512	15.00	17.00	15.25	16.25
1	.25	.05	Sarnia Oil	4,100	.17	.17	.13½	.13½
No	.45	.04	South West Pete.	800	.30	.26	.20	.26
1	.39	.06	Spooner	700	.25	.25	.20	.20
No	.75	.12	Sterling Pacific	2,200	.40	.41	.40	.40
.	.43½	.43	Trinidad Oil	.....	.43½	.....	.....	.....
No	.25	.03	United	9,600	.10	.12	.10	.12
No	.25	.06	Vanalta	1,450	.14	.15	.12	.14
No	.08	.00½	Wainwell	10,500	.02½	.04	.03	.03½

VANCOUVER STOCK EXCHANGE

(Transaction for Week to August 22)

Par Val.	Range 1933 High	Low	Company	Sales	Close Aug. 16 (or last)	High for week	Low for week	Close Aug. 22
25c	.03	.00½	Bayview	1,000	.01	.01½	.01½	.01½
20c	.10½	.02½	Beaver Silver	40,250	.07½	.08	.07	.07½
25c	.17	.03½	Big Slide	1,250	.03½	.03½	.03½	.03½
25c	.06½	.02	Bluebird	.....	.02½	.....	.....	.....
No	10.20	1.38	Bralorne	4,294	9.00	9.75	9.25	9.40
1	.57	.05	Bridge River Cons.	27,300	.29	.35	.29	.32
50c	.71	.35	Bridge River Exp.	27,700	.43	.50	.42	.50
100	89.00	88.50	B. C. Electric, pfd.	.....	88.50	.....	.....	.....
1	1.50	.60	B. C. Silver	.....	1.15	.....	.....	.....
No	.82	.52	Burns Mountain	.....	.55	.....	.....	.....
1	4.15	1.50	Cariboo Gold	18,375	3.00	3.95	3.20	3.75
No	12.90	5.60	Coast Breweries	475	11.00	11.00	10.90	11.00
25c	.02½	.00½	Cork Province	2,000	.01	.01½	.01½	.01½
1	.05	.02½	Cotton Belt	.....	.05	.....	.....	.....
1	.08	.00½	Dalhousie Mines	25,000	.03	.05	.04	.04
1	.21½	.02	Dunwell	2,000	.15	.14	.13	.14
1	1.00	.28	George Copper	600	.35	.45	.45	.45
50c	.12	.04	Geo. Enterprise	.....	.04	.....	.....	.....
1	.09½	.02	Georgia River	17,500	.05	.05	.05	.05
1	.60	.16	Golconda	.....	.35	.....	.....	.....
50c	1.25	.60	Gold Belt	4,500	.65	.70	.63	.65
1	1.50	.95	Golden Belle	.....	1.50	.....	.....	.....
50c	.11	.03½	Grandview	3,700	.04½	.05	.04½	.05
1	.01½	.00½	Independence	.....	.01	.....	.....	.....
1	.03½	.02	Indian Mines	1,000	.02½	.02½	.02½	.02½
1	.17	.08½	Inter. Coal	1,500	.14	.13	.13	.13
1	.36	.36	Jack Waite	.....	.36	.....	.....	.....
50c	.57	.30	Kootenay Belle	500	.30	.31	.31	.31
25c	.04	.00½	Kootenay King	.....	.01½	.....	.....	.....
25c	.01	.00½	L. & L.	.....	.00½	.....	.....	.....
1	.01	.00½	Lakeview	.....	.00½	.....	.....	.....
10c	.06½	.01	Lucky Jim	2,600	.04½	.05½	.05	.05½
50c	.01½	.00½	Marmot Metals	.....	.00½	.....	.....	.....
10c	1.05	.20	Meridian Mines	41,370	.40	.45	.40	.45
5c	.13	.04½	Metaline Metals	.....	.09	.....	.....	.....
.	.01	.00½	Mohawk	.....	.00½	.....	.....	.....
.	.17	.12	Mogul	4,700	.13	.15	.12½	.13
50c	.41	.18	Morning Star	47,450	.20½	.27	.20½	.27
1	.06	.00½	Morton Woolsey	5,125	.03	.03	.02½	.02½
1	.29	.05½	Native Sons	89,400	.10½	.13	.10½	.11
50c	.10½	.00½	National Silver	38,300	.05	.06½	.05	.06
50c	.90	.74	Nicola	8,600	.85	.90	.84	.88½
50c	.21½	.02½	Noble Five	12,000	.11	.12	.11	.12
50c	.01	.00½	Oregon Copper	.....	.01	.....	.....	.....
1	.35	.20	Pavilion	.....	.20	.....	.....	.....
1	1.25	.40	Pioneer Extension	.....	1.10	.....	.....	.....
1	16.10	4.30	Pioneer Gold	65	12.75	13.00	12.50	13.00
1	.11	.10	Planet	.....	.10	.....	.....	.....
50c	.19	.04½	Porter Idaho	4,900	.09	.09½	.08½	.09½
No	.04	.00½	Premier Border	16,000	.02	.02	.01½	.01½
1	.10	.02	Quatsino Copper	.....	.03	.....	.....	.....
No	.42	.10	Reeves McDonald	2,800	.19	.20	.18	.18
1	.30	.25	Reliance	.....	.27	.....	.....	.....
1	2.70	.60	Reno Gold	14,380	1.35	1.58	1.43	1.55
1	.22	.04	Reward Mining	6,400	.12	.14	.12	.13½
1	.10	.01	Rufus Argenta	8,300	.05½	.06	.05½	.06
1	.07	.02	Ruth Hope	2,000	.02	.02½	.02½	.02½
1	.65	.40	Sally Mines	1,730	.40	.45	.45	.45
1	.15	.03½	Silverado	.....	.10	.....	.....	.....
25c	.09	.01	Silver Crest	26,300	.03½	.04	.03½	.03½
20c	.03½	.01½	Silversmith	.....	.03½	.....	.....	.....
50c	.04½	.01	Snowflake	.....	.01½	.....	.....	.....
25c	.06	.03	Sonora	.....	.06	.....	.....	.....
1	.61	.40	Standard Gold	.....	.40	.....	.....	.....
1	.50	.25	Sunloch	225	.28	.30	.25	.30
5	.40	.20	Toric	.....	.40	.....	.....	.....
50c	.03½	.02	Topley Richfield	.....	.02	.....	.....	.....
50c	.70	.08	Wayside	48,550	.48	.65	.39	.65
25c	.13	.01½	Waverly Tangier	45,750	.04½	.05	.04½	.05
20c	.05	.01½	Wellington	2,000	.02	.01½	.01½	.01½
.	.33	.25½	White Eagle	4,700	.27	.29	.27	.28½
1	.18	.03	Whitewater	15,500	.07	.07½	.07½	.07½
1	.48	.40	Yankee Belle	.....	.42	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	8c.	6.20	Merland Oils‡	5c.	.....
Coniagas‡	12½c.	.....	Noranda‡	50c.	.....
Coniaurum†	3c.	.....	Petrol Oil	*2c.	.....
Cons. Smelters*	10%	.....	Premier	12c.	9.83
Dome Mines	$1+55c.	4.43	Pioneer, B.C.	60c.	4.61
Falconbridge	20c.	.....	Royalite	50c.	.....
Goldfield Cons.‡	5c.	.....	Siscoe	12c.	8.05
Hollinger	65c.+10c.	7.24	Sterling Pacific Oil‡	3c.	.....
Howe Sound	40c.	.....	Sylvanite	4+1c.	3.87
Lake Shore	$2+$1	6.45	Teck-Hughes	60c.	9.09
McIntyre	$1+75c.	4.66	Wright-Har	20c.	2.61
McLeod Oils‡	5c.	.....			

*Stock. ‡Interim. †Initial. *Paid in 1932.

Diamond Drill Speeds God's Lake Development

Central figure is Robert Jowsey, who made the pioneer find in the God's Lake area of Northern Manitoba in July, 1932, that started a "rush" into the district. The diamond drill pictured is on the Akers claims of God's Lake Gold Mines.

DUNWELL PROPERTY TO JOIN PRODUCERS

To Rehabilitate Mill to Treat 40 Tons of Ore Daily

From Our Own B. C. Mining Correspondent

VICTORIA.—The Dunwell mine on Glacier Creek in the Portland Canal district of British Columbia, and for the past few years practically a forgotten mine, will probably be added to the growing list of steady producers next spring.

Considerable development work was done on the property by the company in the years preceding 1928 and the new mill was operated for a short time, but the declining price of silver finally forced them to cease operations and the mine was abandoned. Two years later, much of the mill equipment was shipped to the Bralorne mine in the Bridge River district, leaving sufficient, however, to form the nucleus of a small mill.

In 1932 a number of miners who were former employees of the company, approached the management in Victoria and asked for permission to carry out leasing operations as they considered this better than going on relief.

A certain amount of success was achieved by these men during that year, but when the present year opened more efficient operations were carried out by this group of about 14 men under the direction of L. S. Davidson, formerly accountant for the Dunwell Mines Ltd.

The latest report from the mine shows that from the beginning of January, 1933, until the middle of August, 484 tons of ore were shipped to the Tacoma smelter returning a net amount, less all deductions, of $13,293.53.

Robert Stewart, one of the directors of the company, explained that it had at first been the intention of the operators to ship only picked ore, but this was found unnecessary owing to the fact that silver prices have advanced somewhat during the present year. In order to cut down freight charges, a gravity concentrate was made by utilizing the mill equipment available.

Mr. Stewart stated that the company now intends to replace the ball mill and classifier this fall and bring the mill back into operation on a basis of about 40 tons a day early in the year 1934. On the basis of the present small scale production, this would add another producing mine to the list in B. C. with an approximate monthly gross production of $20,000.

Anaconda Oil Report Belated and Expectant

In an annual report, dated May 31, 1933, Anaconda Oil Co. gives its shareholders the first financial statement since incorporation of the company on April 14, 1926, which shows current assets including cash $5; Baltac Oil shares (33,000) valued at $66,000; Oilwell Drilling & Finance, $16,356 and $250 accruing from the companies merged at the time of incorporation. Current liabilities are shown at $26,605. In addition there is a royalty liability payable from production amounting to $18,430.

Although the company holds leases on some 5,200 acres in Alberta, of which 1,230 acres are in the Turner Valley field, it pursues the policy of sub-leasing its holding to others for drilling. No production is reported from the company's losses, but Model Oils have a well under way, known as Model No. 2, that is deep in the limestone, the accepted production horizon. Anaconda will receive a clear 10 per cent net royalty from any production from this well. At Anaconda No. 2 well, being drilled on a sub-lease to W. Fay Becker, out of any production Anaconda will receive a clear net royalty of 8½ per cent. From the Livingstone well in the south end of Turner Valley, Anaconda will receive a clear net royalty of 2 per cent of any production.

Spooner Sub-Leases

Subsequent to the date of the report, May 31, 1933, Spooner Oils has sub-leased 60 acres adjacent to the Freehold-Mar-Jon well, for which Anaconda received $1,500 in cash and a clear net royalty of 10 per cent.

At the annual meeting of the company held in Calgary on August 28, Frances Reeve, a former director, charged A. J. Scott, the managing director and secretary-treasurer of the company, of attempting to "browbeat" the meeting into electing a "rubber stamp" directorate.

The directors re-elected were A. J. Scott, R. J. Gatherwood, A. C. Johnson and Dr. Robt. MacKenzie. New directors elected were C. E. Fisher, Major A. J. Robie, and J. T. Atkinson.

Quebec Gold Output Shows Advance in July

Gold production in Quebec took a decided upturn in July, according to the figures just published by the Quebec Bureau of Mines, with an output of 36,597 ounces as compared with 33,845 ounces in June. Silver production in July was 74,785 ounces as compared with 39,604 ounces in June.

A correction is made in the Government gold production figures published for May and June. The correct figures are: May, 32,129 ounces instead of 30,400; and June should read 33,845 ounces instead of 30,974.

Asbestos production amounted to 14,531 tons in July as compared with 12,455 tons in June.

At the Mines

Wayside Consolidated Mines — Working two eight-hour shifts daily, development work is proceeding on five faces of ore, according to a Vancouver dispatch. Drifting on the second level shows a vein width of 6 ft. with high values and it is the intention to continue the drift on this horizon for 50 ft. before making another crosscut. The width between the foot wall and hanging wall is said to average close to 20 ft., with values in commercial ore across the entire width.

Raises will be put up from the fourth to the first adit level which will require about six weeks time, leaving the property a developed depth of 560 ft. The hydro-electric plant and electrically driven mining plant have been completed.

Clubine-Comstock Mine Shipping High Grade Ore

From Our Own Correspondent

VICTORIA. — Smelter shipments from Clubine-Comstock Gold Mines on Boulder Creek near Salmo in the Nelson mining division, during the past few months continue to improve, according to latest reports from the management. Eight carloads of ore taken from the deep development tunnel have shown net returns of over $32 a ton, while one sample picked from the eighth and latest car to be shipped showed 4.86 ounces of gold at the Trail assay office.

The property, on which work has proceeded at a slow pace for the past two and a half years without the aid of machinery, is owned by the Canada Lode Gold Mines Ltd., of Victoria. The letter, organized as a holding and developing company has acquired in addition to the Clubine-Comstock mine, 96 claims in a solid block near Burns Mountain in the Cariboo district; controlling interest in the Sterling Gold Mines on Sterling Creek in the Osoyoos mining district; three groups in the Boise Basin in Idaho and a small property recently staked in the Similkameen district.

Driving New Tunnel

The Clubine-Comstock venture, which is under the management of L. R. Clubine, the original owner, is said to contain nine known veins, which carry gold values mainly, with some silver. The present work consists of driving a tunnel at depth to open up the veins which have already been contacted in the upper tunnels. Carload shipments from these tunnels made last year to the Trail Smelter averaged about $28 per ton.

Work on the large group of claims near Burns Mountain at the present time consists of driving a main development tunnel to contact a series of veins appearing on the property. At the present time the tunnel is said to be in 780 feet with its objective, the first vein of the series, at 1,100 feet.

The provisional directorate of the Canada Lode Gold Mines Ltd., the holding company for these properties, is W. F. Pinfold, W. M. Halliday and J. A. Profit, all of Victoria. D. S. Tait, barrister, of Victoria, is the secretary-treasurer. The company is capitalized at 1,000 shares no par value of which some 650 have already been issued.

Pend Oreille Mines & Metals—Production is being maintained at the daily rate of 50 tons of concentrates. The zinc concentrates have been stepped up to 63 per cent zinc.

Malrobic Mines.—Diamond drilling has started at the company's property in Malartic township, Quebec, designed to extend the present known exposures.

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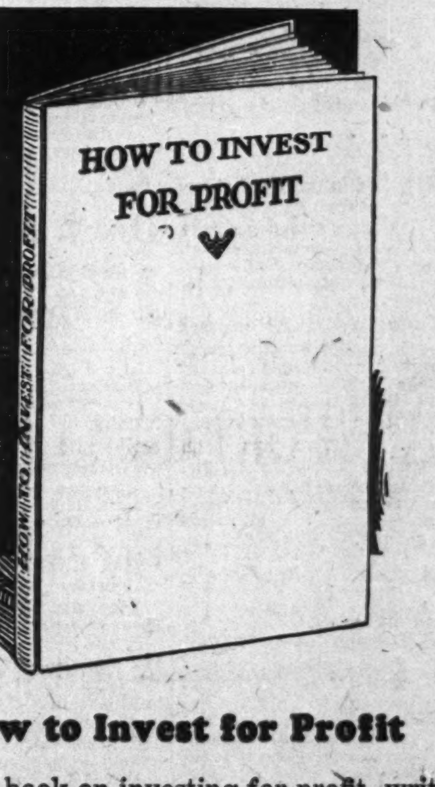

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The Week in Mining

Gold Advances

THE advance of gold to 130s. 2d. on Monday last in the London market, or the equivalent of $31.43 in Canadian funds, marks a new all-time high for the precious metal. The French franc, which is governing the present value of gold in the London market, recently advanced on Monday to 81.65 francs to the pound, a new all-time high. The editor of The Daily Express in London, England, on August 16, foresees an eventual quotation of about 75 francs to the pound, which would make the market price of gold about 140s. an ounce. This interpreted in Canadian funds at present rate of exchange would be equivalent to about $34.

While the London Express article was written several days before the recent advance, a measure of its prophecy has come true and the strength of the gold mining stocks on the market is reflecting the present value of gold.

* * *

East Crest Rumors

SHARES of East Crest Oils have provided a thrill for investors in recent weeks as they advanced from a low of 5½ cents per share earlier in the year to a high of 55 cents per share. Current prices are around 32 cents. With no official report published by the company since April of last year the market activity remains unexplained. Brokerage rumors have it that an interested group are going to give the shares a run like that experienced by Home Oil.

* * *

An Exemplary Report

THE report issued last week by God's Lake Gold Mines, covering activities at the pioneer find in the God's Lake area of Northern Manitoba, is an exemplary report that is seldom witnessed in the case of young mining companies in the promotional and development stage. The report of the company's engineer, E. L. Brown, to Robert Jowsey, the company's president, and other directors, is utterly free from superlatives in describing developments at the property. In a clear, concise manner, accompanied by maps, shareholders are given a picture of exactly what has been accomplished without any embellishments. Another unique feature of the report is a complete financial statement showing just how the money was spent and how the treasury shares were disposed of.

* * *

Siscoe Changes

SHARES of Siscoe Gold Mines are apparently in a vulnerable position as they broke through to a new low level of $1.41 last week from a price stabilized at nearly $1.60 on receipt of the news that J. M. Forbes, general manager of the company, had resigned.

As on recent previous occasions, it is apparent that someone is interested in breaking the market on Siscoe, but official reports on developments and earnings have been of such a satisfactory nature that the shares have been quick to rebound from what appeared to be bear attacks.

Well-informed mining circles recognize the progress Siscoe has made under the guidance of Mr. Forbes, but do not anticipate that his successor, C. O. Stee, M.E., who has acted as his assistant and has been for the past four years in active charge, will display less capable qualities. Mr. Stee has had intimate continuous contact with the mine's progress and the recent rift in internal affairs that caused his resignation apparently was in no way reflecting his past efforts as he has been reinstated as Mr. Forbes' successor.

* * *

"Sell 'em" Ben. Active

THE latest activity attributed to "Sell 'em" Ben Smith, spectacular New York market operator, is an interest in the B. C. Nickel Mines Ltd., near Hope, B.C. Why he has turned his attention to nickel, with some 100 years ore reserves in the Sudbury district and apparently forsaken gold prospects, that have responded in the past so handsomely to his genius, is unexplained.

* * *

Silver Prices Steady

MOVEMENTS in prices of silver in the London market have been small but the tendency of the market has been somewhat easier, buyers showing some hesitation, according to Samuel Montagu & Co., of London.

Sales from continental sources are still forthcoming but the lower prices found China inclined to force buying. The Indian bazaars and speculators have made sales although both these have been buyers on occasion. America has been more disposed to buy without, however, exerting pressure. The market appears thoroughly steady and there is no indication of any important change, continues the report.

Radio Active Water Attracts Sanitarium

Capitalizing the medicinal qualities of the radio active mineral waters at Bethnal Springs on the Canadian National Railways, 140 miles northwest of Sudbury, a sanitarium has been constructed at the site by the Bethnal Mineral Waters Ltd., which is equipped to take care of 12 patients.

The curative medicinal properties of the Bethnal water is testified to by an increasing number of patients treated at the sanitarium.

Mining Enquiries on page 12

DEVENISH PETROLEUM, LIMITED

NOTICE TO SHAREHOLDERS

As a drilling campaign to increase the company's crude oil production in Skiff field is being started, it is desired to have shares registered in owners' names. Accordingly, stockholders can have shares registered free of charge until October 1st, 1933. Send, or have your broker send, by registered mail your shares to the company offices: 300 Leeson-Lineham Block, Calgary, Alberta, for registration at once.

O. G. DEVENISH, President.

Canadian Mining News

OLD BLUE QUARTZ IS REVIVED AGAIN UNDER NEW NAME

H. C. Crow Forms Amalgamated Gold Fields—Financing in Europe

British and continental investors, who apparently are about to be offered stock of Amalgamated Gold Fields Corp. recently incorporated in Canada by H. C. Crow, will really be offered an interest in the third company promoted around a property in Beatty township, Ontario, the first company being the Cartwright Goldfields, which was later revived as Blue Quartz Gold Mines. The latter is the vendor to the latest company promoted by Mr. Crow.

The information filed with the registrar of companies, operating in Ontario, at the Parliament Buildings, shows a Dominion charter was issued on May 1, 1933. The new company has a capitalization of 5,000,000 no par value shares of which 2,000,000 shares plus $50,000 is to be paid for parcels, Nos. 571, 1442, 1443, 2632 and 2821, in Beatty township. The vendor, Blue Quartz Gold Mines, organized in 1921, has agreed with the Canadian Organizers Ltd., according to the government file, not to dispose of any of the vendors' stock except 226,155 shares, which Canadian Organizers Ltd., are to purchase from Blue Quartz.

Shares Average 11½ Cents

The new company, Amalgamated Gold Fields Corp., has contracted with Canadian Organizers, Ltd., whereby the latter purchases 2,000,000 shares within a three-year period from June 3, 1933, at various prices, and to pay on account a minimum of $50,500 within the first year, after which $7,500 per month is to be paid until the whole of the 2,000,000 shares has been acquired. On the basis of these figures the average purchase price to Canadian Organizers is 11½ cents per share.

The request of The Financial Post at the head office of Amalgamated Goldfields Corp., for a copy of the prospectus elicited the information that no selling would be done in Canada and no Canadian prospectus had been issued, but a prospectus for the European financial campaign had been prepared, but was not available in Canada.

In addition to H. C. Crow as president, the other directors include Dr. J. A. Tuck, Toronto, Senator H. W. Laird, Hamilton; A. G. Parker, of Montreal, and W. S. Walton, Toronto.

Crow Principal Vendor

At the time the predecessor company, Blue Quartz Gold Mines, was organized and promoted by Crow, 2,000,000 shares and $50,000 were issued to the nominees of John F. Louden, according to the government report. Of this H. C. Crow and J. A. Tuck received $12,500 and $2,500 respectively. They also received a further recompense of 250,000 shares and 50,000 shares in Blue Quartz Gold Mines, respectively. H. C. Crow and J. A. Tuck as vendors of parcel, No. 571, to Blue Quartz Gold Mines each received 100,000 shares. H. C. Crow as owner and vendor of claims L-8934 and L-8933, and part of parcel No. 2821, held for the benefit of Cartwright Goldfields. H. C. Crow also was a holder of a parcel, No. 2632, which was also held for the benefit of Cartwright Goldfields.

Blue Quartz was principally promoted in Great Britain and Belgium and the shares outstanding at the end of 1930 showed that at the end of that year the shares issued to vendors were about three times as much as those sold to the general public.

No official statement has been published nor a detailed accounting given for the moneys raised and expended. The property has not been developed to the production stage and has been idle several years.

There are no producing mines in the vicinity of the holdings of Blue Quartz or the present company, Amalgamated Goldfields, nor has there been any conclusive work on the property in the last few years to indicate that the Blue Quartz property holds any added attraction over those advertised at the time the company was promoted by H. C. Crow.

Dr. J. B. Tyrrell Revisits Haunts In Hinterland

Dr. J. B. Tyrrell, Canada's explorer emeritus, who has blazed the trail over so much of Canada's hinterland, is again tramping the trails and re-visiting old haunts notwithstanding his 75 years.

Like the postman who goes for a walk on his holidays, Dr. Tyrrell is also on a holiday in company with Prof. Harold A. Innis, Professor of Political Science at the University of Toronto.

The pair have started out from Prince Albert, Sask., in a canoe and the proposed route lies down the Saskatchewan River, visiting the old Hudson Bay posts, particularly the one at a-la-Corne, and it is possible that Nipawin on the Saskatchewan River will be their ultimate destination.

Notwithstanding his years it is known that Dr. Tyrrell is never happier than when he is close to nature.

The fact that Dr. Tyrrell took a rifle with him forebodes evil days for any game enroute.

Aldermac Pyrite Starts New Industrial Usage For Canadian Minerals

Commercial Production of Pyrite Started May Displace Imports

PAPER TRADE IS HOPE

Freeman Process Broadens Use By Cheapening Making of Sulphurous Acid

The announcement of the commencement of initial commercial operations at the property of Aldermac Mines in Boischatel township, Que, following the securing of an order for pyrite from the United States, is another milestone in the development of Canada's mineral resources, which presages an industry of great potential merit, allied with the return of better days in the pulp and paper industry.

The company's extensive development programme to produce pyrite in its 300-ton-capacity mill was completed late in 1931, coincident with severe retrenchment in the paper trade, principal potential consumer for the mineral. While the initial order just given will keep the company's new mill operating until March next, an important phase is that the foundation is being laid for an important Canadian industry whose potential Eastern Canada market is the displacing of some $4,000,000 normal consumption of sulphur, imported principally from the United States.

Use Freeman Process

Working in conjunction with allied interests controlling the Freeman process, a method has been perfected for the flash burning of pyrite by liberating sulphur dioxide, which in turn precipitated in the form of sulphuric acid. This permits the utilization of pyrite which it is anticipated will in time entirely supersede the use of imported sulphur now chiefly used in Canada's leading pulp and paper mills.

That substantial strides have already been made in this direction is testified by the successful working of the Freeman process using pyrite at Three Rivers, Quebec, paper mills. Here it has been demonstrated that pyrite is a successful, economic substitute for sulphur, but the successful evolution of the process came at a time when curtailment in capital expenditures and in production was being waged throughout the entire paper industry in the Dominion. This retrenchment has had the effect of curbing Canada's pyrite industry just at a time when its feasibility and economy were being successfully demonstrated.

The normal sulphur consumption in Eastern Canada's paper mills is reported at approximately 150,000 tons annually, costing in the neighborhood of $27 per ton laid down.

By comparison two tons of pyrite has in sulphur content the equivalent of one ton of imported sulphur. The normal selling price of pyrite at the property is close to $5 per ton, which would give it a competitive value of $10 per ton at the mine.

The question of its use, therefore, becomes one of economic shipping limits and the expansion of its use is limited only by the freight haul and freight charges involved.

As a typical case it is cited that the Abitibi Power & Paper Company at Smooth Rock Falls consume normally 4,800 tons of sulphur annually, costing approximately $31 per ton. By comparison, Aldermac pyrite delivered to Smooth Rock Falls would cost approximately $13 per ton of sulphur content, effecting a saving of some $8,600.

Installation Cost $30,000

The utilization of pyrite for the production of sulphuric acid by roasting is not new, but the simplicity of the Freeman process has greatly broadened the potential applications. The capital expenditure involved for this flash roasting equipment is said to be close to $30,000, and while this initial cost is not a prohibitive expenditure for paper mills, there is a distinct barrier in any industry to break down established practices and introduce new methods irrespective of the apparent saving involved.

Pyrite in addition to its sulphur content has a valuable by-product in pure iron and each ton of pyrite yields approximately 1,200 lbs. of iron, free of sulphur and phosphorous. At the Three Rivers plant, using the Freeman process, this iron is cheaply reclaimed and commands a price of approximately $5 per ton delivered at the blast furnaces.

Supply Source Important

A constant and reliable source of supply is an essential factor in introducing pyrite for the substitution of imported sulphur and the Aldermac Mines has developed to a depth of 1,100 ft. at its property an estimated tonnage of 3,000,000 tons of pyrite, averaging 2 per cent copper, 90 cents in gold, one ounce of silver and 60 per cent pyrite. By differential flotation two concentrates are made, one carrying the copper and precious metals, and the other practically pure pyrite yielding 50 per cent sulphur. While present plans are for the immediate resumption of production on the basis of 300 tons of ore daily, it is proposed by next spring to bring this capacity up to the designed capacity of 500 tons, and with small additional cost it is said the plant could be increased to 1,000 tons daily. On the basis of the initial 300 tons daily operation employment is given to approximately 100 men, and due to the relatively low ratio of concentration of the ore the T. & N. O. Railway stands to have its freight haul on this section of its line considerably augmented.

INDEX TO MINING STOCKS

The weighted index number of 20 mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 107.3 for the week ending August 24, as compared with 105.7 for the previous week.

U. S. Lifts Embargo On New Gold Exports

United States gold mines are to reap the full benefit from the sale of their output in the free markets of the world, according to an edict issued by President Roosevelt on August 29.

The production is to be sold through the secretary of the treasury on consignment, which is similar to the manner in which Canadian production is marketed.

In a final drive against hoarders the president has also issued an order that all persons holding gold in excess of $100, report their holding to the department within 15 days.

ARNTFIELD WORK IS SPEEDING PLAN FOR 150 TON MILL

Electric Power to Be Available Early in September

Development at the Arntfield Gold Mines property in Boischatel township, Rouyn district, Quebec, will be speeded when electric power is turned on in the first week of September.

Quietly carrying on an uninterrupted unostentatious programme for the last three years the company is fast reaching the stage of developments that will determine the size of mill under consideration. The principal work has been conducted from the No. 2 shaft sunk to a depth of 250 feet on the incline. Deepening of this shaft has already started to an immediate objective of 425 feet. Coincident with this deepening, No. 3 shaft, 2,000 feet east of No. 2, has been started and is down some 40 feet and will be rapidly pressed to 125 feet where a level will be established. Immediately the No. 2 shaft reaches a depth of 425 feet, drifting will be undertaken and if this work confirms the showing on the 250-ft. level immediate decision will be reached on a milling programme.

Good Widths Indicated

Some 2,500 feet of lateral work has been done on the 250-ft. horizon from the No. 2 shaft, which connects with No. 1 shaft farther west on this level. The total length of the fractured zone is some 9,000 feet across the company's property with widths up to 200 feet containing lenses of gold ore from 10 to 30 feet wide, assaying around $7 per ton. Having regard for the width of ore and the grade and length it is anticipated that a mill of not less than 150 tons daily capacity will be decided on, pending confirmation of lateral work on the 425-ft. level.

The company is headed by F. S. Arntfield, president and general manager. The authorized capitalization is $3,000,000 in $1 par value shares of which 1,800,000 shares have been issued to date. Principal financing has been through a Pittsburgh group.

Nicola Mines May Enlarge 100 Ton Mill

The 100-ton mill at the property of Nicola Mines and Metals Co. will be put into operation almost immediately unless it is decided to delay mill operations, pending a decision to increase the capacity to 300 tons, The Financial Post is officially informed.

The company's property comprises in all some 865 acres at Stump Lake, midway between Kamloops and Merritt, B.C., and is better known as the property of the Plant Mines & Reduction Co., which early in 1929 constructed a 100-ton mill but due to various complications was forced into bankruptcy in 1931. The present company, formed this year, added the adjoining Donohue group of claims to the former Planet holdings and four new levels are to be opened up on the Joshua and Tubal Cain veins, which officials estimate contain some 600,000 tons of commercial ore.

Offered By N. Y. Group

The British Columbia Department of Mines, commenting on the property, says that the technical success and financial failure of the operations was due to ill-advised attempts to work on a disproportionate scale.

The present company has an authorized capitalization of 5,000,000 no par value shares of which 2,250,000 are issued. All the 2,000,000 shares issued for the properties are held in escrow while a further 2,000,000 shares are optioned to a New York syndicate which made an offering of 500,000 shares to the public through Bartley & Co. of New York at the market, currently around 85 to 90 cents.

Additional mining news on page 15 this week

Metal Prices

New York—August 29:
Copper: Electrolytic spot, 9c lb.
Silver: 36⅝c.
London—August 29:
(Long Ton)—
Copper: Electrolytic spot, £39 15s; future, £40 15s.
Standard spot, £36 12s 6d; future £36 17s 6d.
Tin: Spot, £220 17s 6d; future, £220 5s.
Lead: Spot, £12 12s 6d; future, £12 15s.
Zinc: Spot, £17 10s; future, £17 12s 6d.
Silver: 18d per ounce.
Gold: 129s 4½d.
Canada—August 29:
Gold: $31.07.

Maple Leaf Mines Finds Answer To Long Search

Acquires Casey Summit Property at Birch Lake—20-ton Pilot Mill to Be in Operation Within 90 Days on Ore Already Developed

The Casey Summit Gold Mines property at Birch Lake in the Patricia district is to be brought into initial production within 90 days through recent financing by the Maple Leaf Mines, The Financial Post is officially informed. Under the agreement just completed and effective September 1, Maple Leaf Mines stands to gain control of this property by optioning 2,500,000 shares remaining in the company's treasury out of the 5,000,000 no par value shares authorized, as well as some of the vendor shares. An initial payment of $10,000 will be made on September 1, which goes to the vendor of the Borthwick group of 14 claims, and renders this section of the property free of all property indebtedness. The remaining $7,000 due on the remaining group of six claims is not pressing.

The property has long been regarded in a favorable light by mining men acquainted with developments, and already some $130,000 has been spent on the property. Surface exploration and diamond drilling as well as underground development have revealed seven high grade, gold-bearing veins, varying in width from 2 to 20 ft. Principal work has been confined to the No. 2 vein system which has been proved by diamond drilling over a length of 600 ft. showing an average width of 4.2 ft. with values averaging about $15 per ton with gold at normal value. A shaft has been sunk to a depth of 100 ft. where 140 ft. of drifting has been done, which averaged $18.15 per ton in gold across the vein for the entire 140 ft.

Mill Partially Completed

A 20-ton pilot mill is partially set up at the company's property and it is the intention of Maple Leaf Mines forthwith to complete this mill and to have it operating before winter.

Carl Erickson, the company's engineer, is leaving at once for the property to take charge of operations.

Maple Leaf Mines has also acquired a group of 16 claims adjoining the Little Long Lac Gold Mines property on the west and has a crew at work. Assessment work was recently completed on the company's McLeod group of claims next to the McWatters Gold Mines in Rouyn township and all efforts will now be centred on speedily bringing the Casey Summit property into initial production.

At the Mines

Arno Mines. — The no par value shares superseding the $1 par value were posted for trading on the Standard Exchange on August 29. Old shares are exchangeable for new on the basis of one new for five old.

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B. C. Nickel.—The property of the company at the head of Emory Creek in the Yale mining division, is drawing new interest with the reported entry of Ben Smith—"Sell 'em Ben"—spectacular New York market operator, into the affairs of the company. The name of Colonel Victor Spencer, president of Pioneer Gold Mines of B. C., and David Sloan, managing director of Pioneer, are mentioned along with Ben Smith. Work is slated to start at once with the construction of a private road and a thorough test is planned of the company's impressive reserves of low-grade nickel ore.

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Big Missouri Mines Corp.—A Quebec charter, dated August 3, 1933, has been taken out for a Canadian company which is to succeed the company of similar name incorporated in Washington in 1925. The new company will have an authorized capitalization of $5,000,000 in $1 par value shares, which will be exchangeable for the old shares on the basis of one new for two old shares.

* * *

Bralorne Mines. — Two important discoveries are recorded at the company's property during the past two weeks, one being the encountering of the unidentified vein in the vicinity of the shaft vein and another picking of ore west of the fault on No. 7 level. An ore body some 50 feet in width at one point has been encountered.

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Halcrow-Swayze Gold Mines.—The 200-ft. shaft at the company's property is scheduled for completion this week when lateral work will be undertaken.

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Kirkland Hudson Bay Gold Mines.—The working option the company holds on the Alschbach Gold Mining Co. has been relinquished, according to official information, and operations have been suspended.

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Lakeland Gold Mines. — The new mill now under construction, is scheduled for operation in October. A test shipment of ore to the government testing laboratories at Ottawa indicated values of $8.61 per ton gold at current values.

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Lee Gold Mines.—Diamond drilling contract has been awarded for the company's property in the Swayze area of Ontario and operations are to be under way within two weeks.

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McWatters Gold Mines.—A second section of very high-grade ore has been encountered at the 150-ft. level, according to reliable reports. The first section passed through early in the month showed a length of 20 feet. After encountering a few feet of lower grade ore, high-grade again came into evidence.

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Roan-Antelope Copper Mines—From the production of 3,708 long tons of blister copper in the quarter ended June 30, 1933, a net profit of £97,424 before depreciation and taxation was reported. Total over all operating costs was £22 6s. 5d. per ton of blister copper, or equivalent to about 4¾ cents per pound.

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Siscoe Gold Mines. — Following a disagreement in matters of policy the resignation of J. M. Forbes, the company's general manager, has been accepted and C. O. Stee, who has been in direct charge of operations at the property for the past four years, has been appointed his successor. The services of a geologist to make an intimate study of the property is also contemplated.

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Toronto, Ont.

PROPERTIES

Maple Leaf Mines Limited has taken an option on control of CASEY SUMMIT GOLD MINES LIMITED, situated in the Patricia District in Northern Ontario.

The following quotations are taken from engineers' reports on the property owned by CASEY SUMMIT GOLD MINES LIMITED, which we believe speak for themselves:

PERCY E. HOPKINS, E.M.:

"No. 2 Vein. Vein consists of blue quartz, well mineralized with mispickel and visible gold. A section of this vein 106 feet in length gave an average value on the surface of $10.07 per ton in gold, across an average true width of 2.07 feet. . . . An important increase in width has been indicated at depth by this drilling. Parts of the core in the vicinity of the vein sections were lost in some of the holes and high values were indicated by the sludge assays at these sections. These values cannot be used in determining the average value of the vein, but they do indicate a possibility of an increase in the average gold content."

J. P. MILLENBACH, E.M.:

"The diamond drilling program indicated that the No. 2 vein had an average width of 4.2 feet for a length of 900 feet and partially explored the vein to a vertical depth of 375 feet. No further information was obtained, however, on the southerly continuation of this vein, because a heavy overburden of boulder clay made drilling impossible with the equipment then at the property. . . . Diamond drilling done on this vein and referred to in previous reports showed a value of $15.20 to the ton over an average width of 4.2 feet for a length of 600 feet. There is therefore a decided increase in width indicated at depth. The drift showed higher values in the south section, and since this was previously indicated by the high value obtained in a drill hole about 240 feet south of the lake, therefore it is reasonable to expect that more favorable ore could be opened up in this direction."

H. F. FANCY, E.M.:

"There are seven veins on the property uncovered by surface stripping, showing visible gold, but the main operation has been carried on the vein known as No. 2 vein. . . . The property is equipped with a very efficient plant, capable of carrying on development work to a depth of 500 feet. For deeper development a larger hoist would be the only necessity. There are sufficient supplies and stores on the property to carry on shaft sinking and development work for several months. . . . Drifting, by two faces, on the 200-foot level, at a depth of 270 feet on the dip of the vein, would put ore in sight at a rapid rate. If the vein on the 200-foot level averages 4 feet wide and $15.00 per ton, ore should be put in sight at the rate of $1,000 per foot, or about $400,000 per month. Judging from the 75-foot level (at a depth of 100 feet on the dip of the vein) and lake drilling, it is reasonable to expect the above conditions at least to prevail. It is my opinion that the property has exceptional merit and that milling will give higher recovery than $18.15, as the sampling has been done in a conservative manner, and other known deposits of this type have proved such to be the case."

MR. CARL ERICKSON,

Vice-President and General Manager of Maple Leaf Mines Limited, following his recent examination of Casey Summit Gold Mines Limited, states, in part: "Assay plan showed grade of ore of $15.00 (old standard) over a width of 4 feet, for a length of 600 feet. Vein conditions and character of ore such that sorting can probably improve this grade for milling operations. This property has excellent possibilities of opening up additional length and depth on present vein with systematic underground development work. . . . I have no hesitation in recommending this property to my company for its mine-making possibilities."

MAPLE LEAF MINES LIMITED also holds sixteen (16) claims adjoining Little Long Lac Gold Mines Limited on the west and located in the Thunder Bay District of Northern Ontario. A crew of ten men, under the direction of V. B. Lyle, E.M., are at work on this property. A well-defined mineralized zone has been opened up, carrying free gold, and it is expected that sufficient work will have been done within the next ninety days to warrant a decision of diamond drilling or shaft sinking. Maple Leaf Mines' holdings, sandwiched in as they are between Little Long Lac Mines and the Magnet Lake property of the Sudbury Diamond Drilling Company, have a particularly favorable location as regards the main showing in this camp. Both its neighbors have been diamond drilled, and outstanding results have been obtained.

MAPLE LEAF MINES LIMITED also holds four (4) groups of claims in the Rouyn area, Quebec, upon which active development work has been conducted, and upon one group the company intends to carry out a diamond drilling campaign this Fall.

Maple Leaf Mines Limited maintains an active field organization under the supervision of Mr. Carl Erickson, who is Vice-President and General Manager of the company.

For complete and detailed information apply to your own broker, or

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